



*An individual has not started living until he
can rise above the narrow confines of his
individualistic concerns to the broader
concerns of all humanity.*
-Martin Luther King Jr.

Capital Agenda

Mike Duggan, Mayor

FY 2017-18 through FY 2021-22





CITY OF DETROIT
MAYOR'S OFFICE

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1126
DETROIT, MICHIGAN 48226
PHONE: (313) 224-3400 TTY: 711
FAX: (313) 224-4128
WWW.DETROITMI.GOV

November 1, 2016

HONORABLE CITY COUNCIL:

Re: Proposed Five-Year Capital Agenda for FY 2017 -2022

In accordance with the City Charter (Sec. 8-202 – Capital Agenda), I submit to you my recommendations for the City's five-year capital strategy. This document is the result of a new strategic and data-driven planning process reflecting my commitment to improving the stability of the City and City government.

The proposed Capital Plan for FY 2017- 2022 continues the City's commitment to fiscal responsibility while simultaneously addressing the long-term needs of a dynamic City. This Capital Plan focuses on fulfilling its commitments as well as complying with Federal, State and local regulations and judicial actions. Each City agency participated in the compilation of this Plan. Many contributed to working groups which analyzed requirements associated with current service levels and, ultimately, provided a roadmap for improving management of City assets. A strategy team, at the highest level of the Administration, developed a framework based on these working groups' technical reviews.

I appreciate the hard work and effort from everyone who participated in this new process and look forward to the Council's reaction and involvement going forward. You have my commitment that what has been a collaborative effort in my Administration will extend to our working with the Council on these plans, to the benefit of the citizens of Detroit and the region.

We look forward to your diligent attention to this Capital Strategy.

Respectfully submitted,

Michael E. Duggan
Mayor, City of Detroit

cc: Honorable City Clerk, Janice Winfrey

MICHAEL E. DUGGAN, MAYOR

THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Detroit Capital Plan

Capital Plan Strategy Group:

- Chair: Carol O’Cleireacain – Deputy Mayor for Economic Policy, Planning, & Strategy
- Chair: David Manardo – Group Executive, Operations
- Department of Innovations and Technology
- Detroit Department of Transportation (DDOT)
- Detroit Water and Sewerage Department
- General Services Department
- Jobs and Economy Team
- Office of the Chief Financial Officer
- Office of the Deputy Chief of Staff
- Planning & Development Department/ Housing Revitalization Department
- Public Works Department

Departmental Submissions & Working Group Participants:

- 36th District Court
- Administrative Hearings
- Airport
- Auditor General
- Board of Zoning Appeal (BZA)
- Building, Safety Engineering, and Environmental Department (BSEED)
- Charles H. Wright Museum
- City Clerk
- City Council
- Coleman A. Young Airport
- Department of Innovations and Technology
- Department of Transportation (DDOT)
- Detroit Building Authority (DBA)
- Detroit Economic Growth Corporation (DEGC)
- Detroit Fire Department (DFD)
- Detroit Health Department
- Detroit Historical Museum
- Detroit Housing Commission (DHC)
- Detroit Land Bank Authority (DLBA)
- Detroit Police Department (DPD)
- Detroit Port Authority
- Detroit Public Works (DPW)
- Detroit Transportation Corporation
- Detroit Water and Sewer Department (DWSD)
- Detroit Zoological Institution
- Detroit-Wayne Joint Building Authority (DWJBA)
- Elections Commission
- General Services Department (GSD)

- Housing and Revitalization Department (HRD)
- Human Rights
- Inspector General
- Law
- Library System
- Municipal Parking Department
- Office of the Chief Financial Officer (OFCO)
- Ombudsman
- Parks and Recreation Department (PRD)
- Planning and Development Department (PDD)
- Public Lighting Authority (PLA)
- Public Lighting Department (PLD)

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

**PROPOSED CAPITAL AGENDA
FY 2017-2022
TABLE OF CONTENTS**

I. INTRODUCTION.....	1
FIVE YEAR CAPITAL AGENDA SUMMARY.....	3
II. FINANCIAL SUMMARY PRESENTATION CHARTS.....	5
• Five Year Capital Strategy Uses	7
• Five Year Capital Strategy Sources.....	9
• Five Year Capital Strategy by Year.....	11
• Five Year Capital Strategy Sources and Uses Table.....	13
• Five Year Capital Strategy Distribution of Funds.....	15
III. FINANCING PROGRAM SUMMARY.....	17
• Figure 1: Sources of Funds.....	18
IV. CAPITAL STRATEGY FRAMEWORK.....	23
• Figure 2: Population Change by Age Group, 2000-2010.....	24
• Figure 3: Private Sector Employment-City of Detroit.....	26
• Figure 4: Wayne County's Share of Detroit MSA Employment.....	26
• Figure 5: Foreclosure Rates, Detroit and Wayne County.....	28
• Figure 6: Annual Demolition Figures 2009-2017.....	29
V. CAPITAL PLAN ASSETS BY CATEGORY.....	33
• City of Detroit Municipal Buildings.....	33
• General City Fleet.....	36
• City of Detroit Housing and Neighborhoods.....	39
• Information Technology Systems.....	42
• Infrastructure Assets.....	44
• Parks.....	45
• Figure 7: Existing Park Amenities, Number and Condition.....	46
• Durable Equipment.....	48
• Alternative Enterprise Assets.....	51
VI. AGENCIES WITH CAPITAL ASSETS.....	53
VII. APPENDIX.....	65
• Sample Templates: Capital Plan Business Case Submission Requests	

THIS PAGE IS INTENTIONALLY LEFT BLANK

I. Introduction

The City of Detroit's New Capital Plan

The City of Detroit launches this Capital Plan process to ensure effective management of our infrastructure over its life-cycle – from planning, to acquisition, to operation, and to disposition. The Plan will ultimately help the city of Detroit to:

- Move beyond the short-term needs/emergencies dominating recent expenditures
- Look ahead and assess current and future adequacy of facilities
- Project changing service needs city-wide as population and economy changes
- Improve information used to make decisions
- Reward cost-saving collaborations and co-locations of agency activities
- Best leverage private sector development in different parts of the city

City assets are the focus

Capital assets, tangible or intangible, are long-lived, and acquired or constructed over many years. They range across land and parks, buildings, vehicles, facilities, information technology, equipment, streets, sidewalks, bridges, parking garages, parks, buses, traffic control systems, public lighting, parking meters and garages, etc. The strategic framework integrates modernization and safety.

This Capital Plan categorizes them into working groups:

buildings; fleet; housing and neighborhoods; information technology; infrastructure; parks; durable equipment; and alternative (revenue generating) enterprises.

The Capital Plan document includes:

- ✓ **Schedules outlining uses and sources of capital funds in the next five years**
- ✓ **Financing plan**
- ✓ **Strategic framework for the City**
- ✓ **Improvement strategies for each category of asset**
- ✓ **Overview of departmental next steps and plan execution**

This is not a budget. A Capital Plan is *strategic*, laying out a vision and roadmap. The strategy will require reinforcement as the future unfolds, and timing and details of execution will be fleshed out accordingly. With an initial five year scope, this Capital Plan will be revised every other year and translated annually into the capital budget and financial plan for the next fiscal year. The intention is a plan that is updated as conditions and aspirations change – informed by more robust tracking and management. *Eventually*, this new tracking and strategic analysis will result in a 10 year scope. There will be more rigorous analysis of operational impacts, and there will also be a focus on public input and choices about the city's public capital priorities. The Capital Plan will respond to changing needs.

ORIGINS OF THIS CAPITAL PLAN

The new process was rolled out in May 2016, with the following workstreams:

Workstream	Due Date
Creation of Technical Review Team of agency subject matter experts to support analysis and development of materials	June 1, 2016
Creation of a Steering Committee of agency and Mayoral Executives, to drive process and serve as a Strategy Team	June 1, 2016
Descriptions of current assets and agency purposes	July 8, 2016
Agency mission and strategic priorities identified	July 8, 2016
Asset assessment methodology and findings	July 15, 2016
Analysis of agency information gaps by Technical Review Team	July 8-Sept 1, 2016
Capital agency hearings with Budget and FP&A	July–August 2016
“Unit of service” / thumbnail cost estimates used by agency operators	July 29, 2016
Funding streams: projections, restrictions analyzed by Budget, FP&A	Sept 1, 2016
Estimated \$ allocations by purpose identified	Sept 30, 2016
Completion of overall strategy	Oct 21, 2016
<i>Deliver Capital Agenda to City Council</i>	<i>Nov 1, 2016</i>
Form Task Forces to continue efforts of Working Groups	Nov 1, 2016
Budget development deliberations – Budget, FP&A	November–February
City Council passes annual budget, with capital appropriations	4 th wk, February 2017
Appropriations approved, per the Financial Review Commission	March 23, 2017
Prepare capital project plans and prepare business case for approval	After July 1, 2017

FIVE-YEAR CAPITAL AGENDA SUMMARY

THIS PAGE IS INTENTIONALLY LEFT BLANK

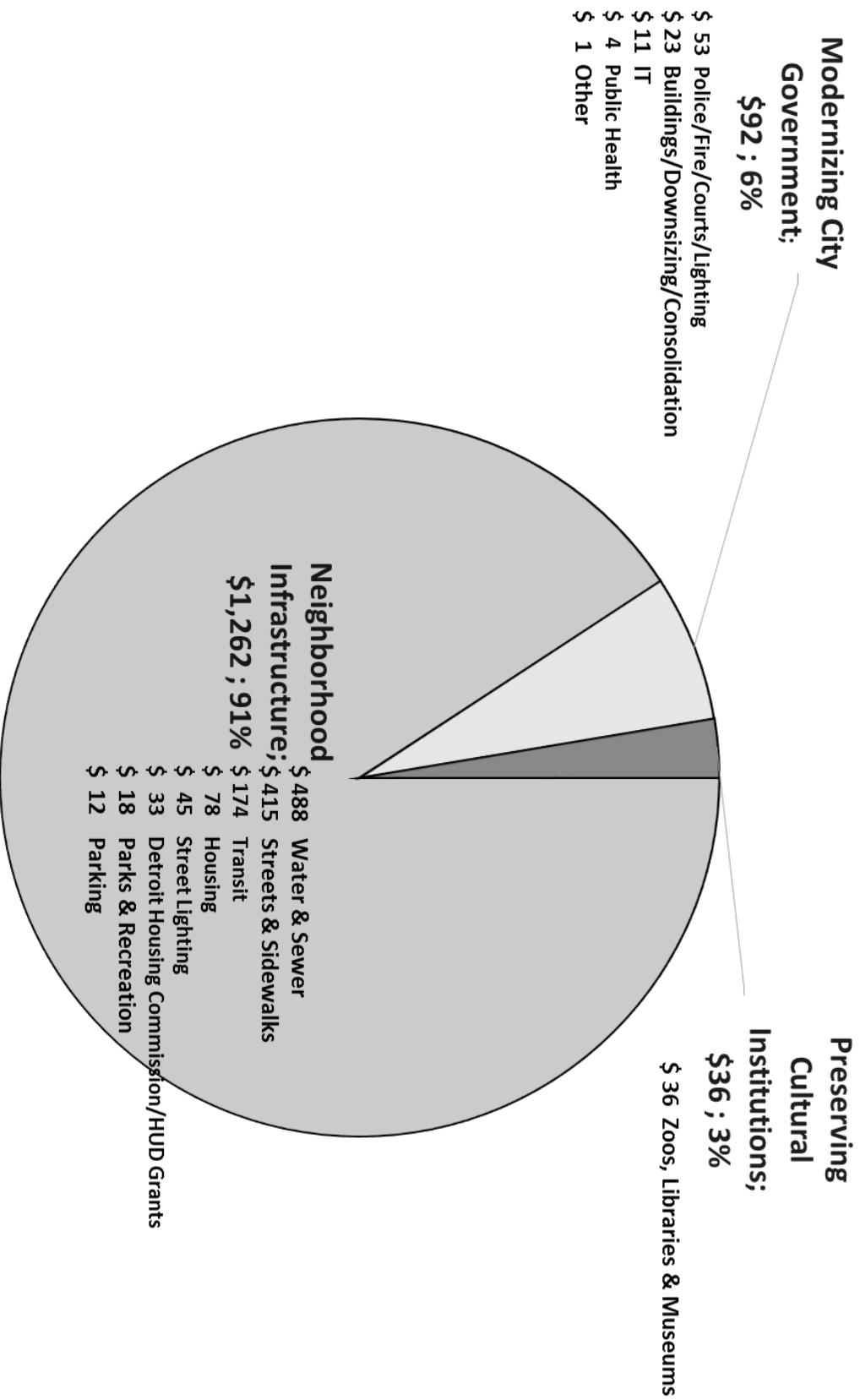
II. Financial Summary Presentation Charts

THIS PAGE IS INTENTIONALLY LEFT BLANK

FIVE-YEAR CAPITAL STRATEGY

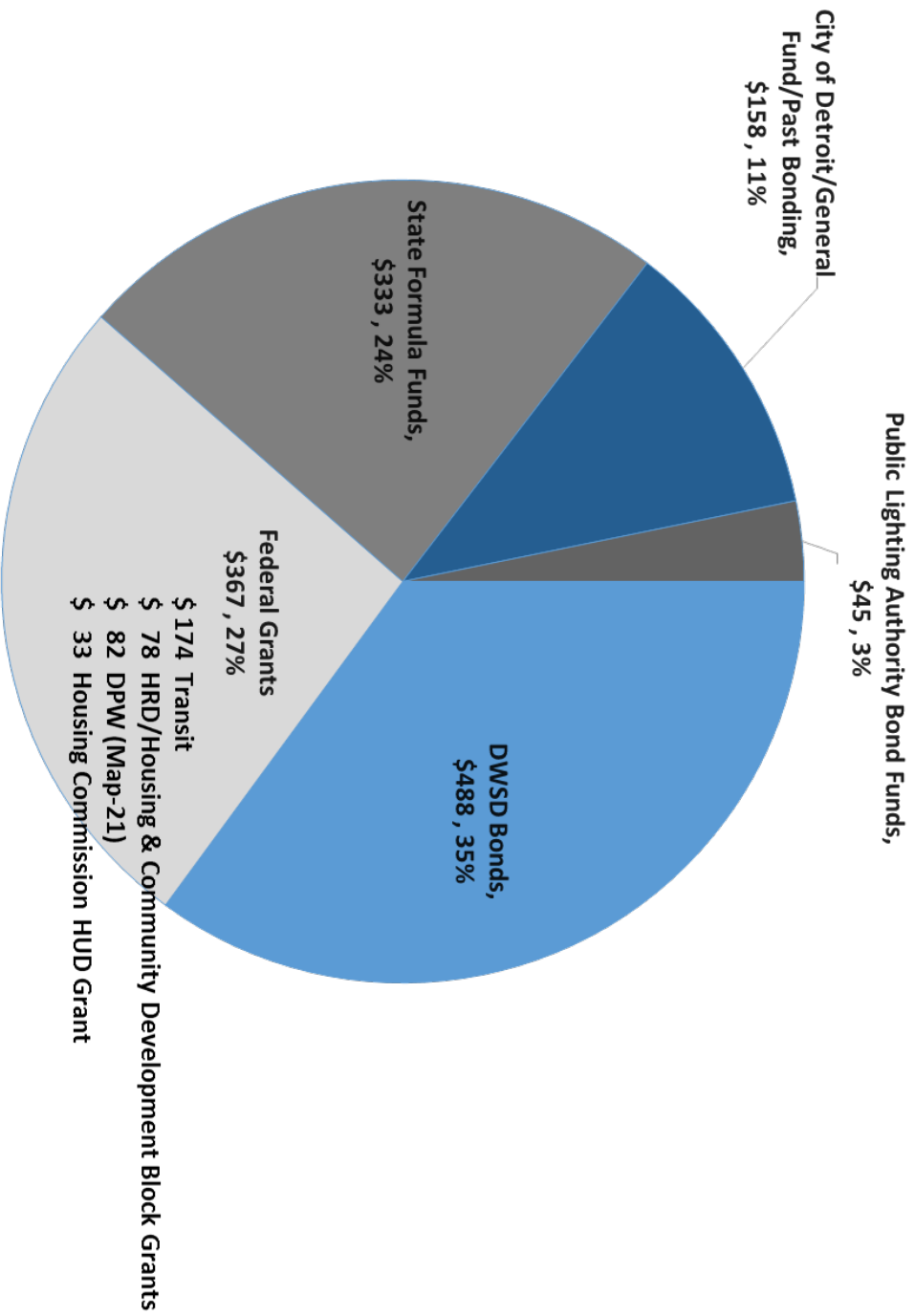
TOTAL \$1,390 MILLION

(\$ Millions)



THIS PAGE IS INTENTIONALLY LEFT BLANK

FIVE-YEAR CAPITAL STRATEGY **SOURCES OF FUNDS - TOTAL \$1,390 MILLION** (\$ Millions)

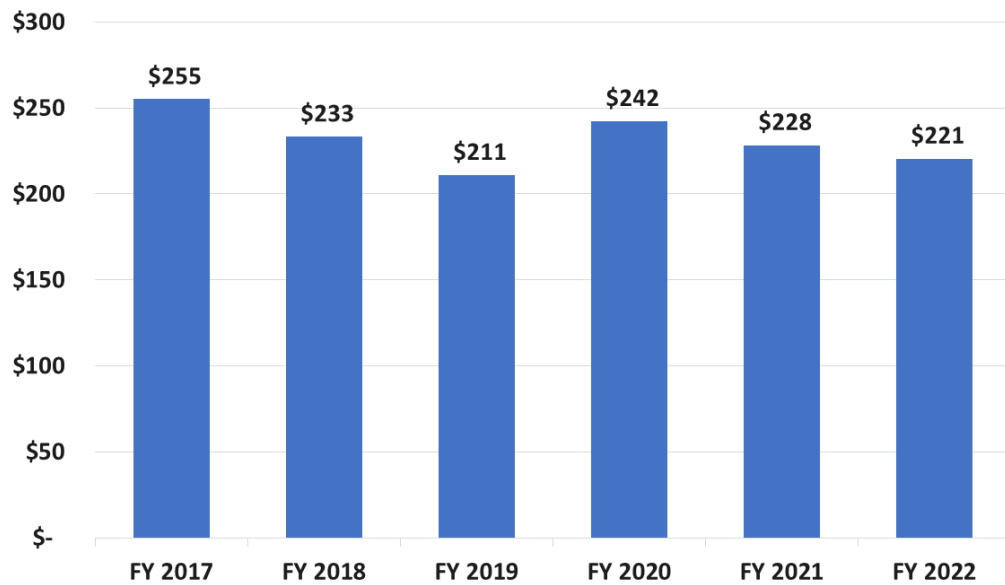


THIS PAGE IS INTENTIONALLY LEFT BLANK

FIVE-YEAR CAPITAL STRATEGY BY YEAR

TOTAL \$1,390 MILLION

(\$ Millions)



THIS PAGE IS INTENTIONALLY LEFT BLANK

SOURCES AND USES - SUMMARY

FIVE YEAR CAPITAL STRATEGY

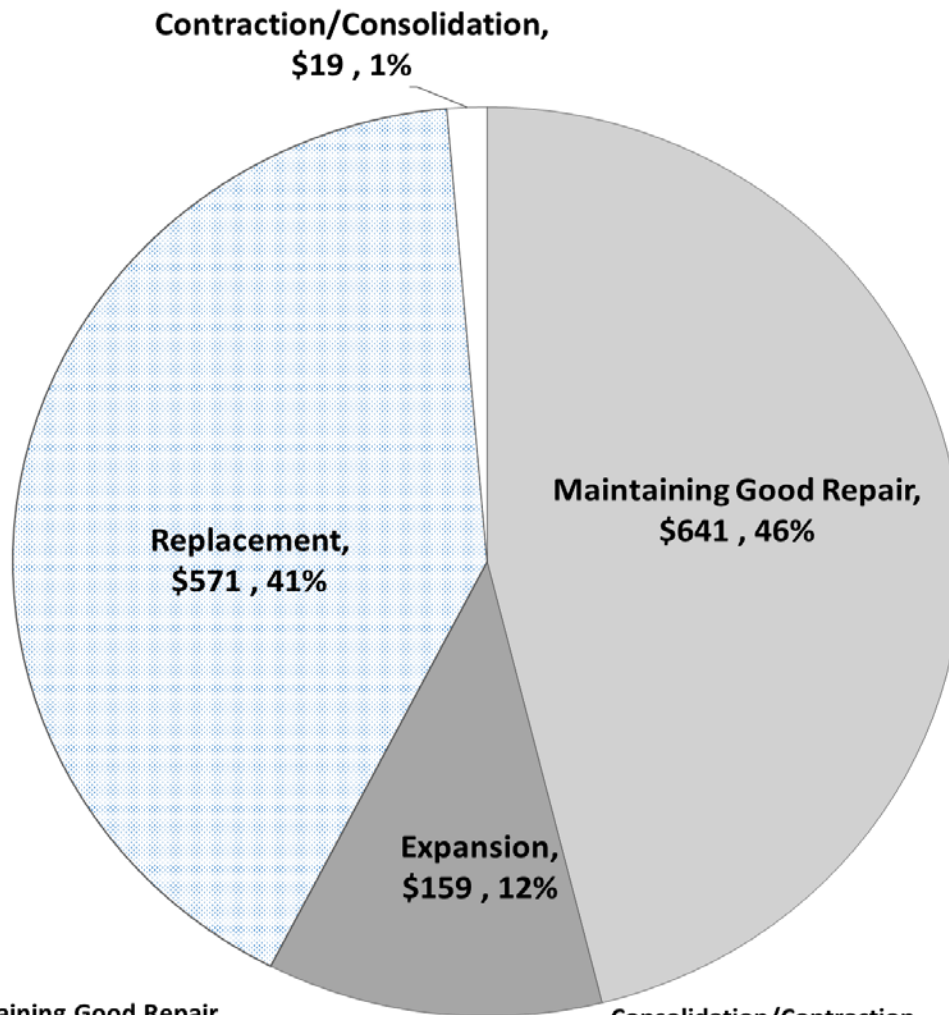
(\$ Millions)

TOTAL SOURCES OF FUNDS		
DWSD Bonds	\$	488
Federal Grants	\$	367
State Formula Funds	\$	333
City of Detroit/General Fund/Past Bonding	\$	158
Public Lighting Authority Bond Funds	\$	45
TOTAL	\$	1,390
TOTAL USE OF FUNDS		
Neighborhood Infrastructure	\$	1,262
Modernizing City Government	\$	92
Preserving Cultural Institutions	\$	36
TOTAL	\$	1,390
CAPITAL PLAN GAP FY2017-2022		
	\$	(0)
AS ADDITIONAL FUNDING IS AVAILABLE:		
NEXT PRIORITY: FUTURE CAPITAL PROJECTS		
Transit	\$	339
Public Safety	\$	261
Neighborhood Infrastructure	\$	178
Environmental (Federal Funds to be requested)	\$	155
Other City Infrastructure	\$	104
Cultural	\$	32
Other	\$	21
TOTAL	\$	1,090

THIS PAGE IS INTENTIONALLY LEFT BLANK

FIVE-YEAR CAPITAL STRATEGY DISTRIBUTION OF FUNDS TOTAL \$1,390 MILLION

(\$ Millions)



Maintaining Good Repair

- *Sidewalk and curb repair
- *Street resurfacing
- *Reinvestment into parks
- *Reinvestment into zoo and museums
- *Reinvestment into Detroit Public Libraries
- *Renovation and waterproofing of public housing units
- *Municipal building improvements

Expansion

- *New housing in neighborhoods
- *Infrastructure enhancements
- *Public Health headquarters
- *Equipment for beautification of city
- *Additional buses
- *Green infrastructure for water runoff
- *Streetscapes and bike paths

Consolidation/Contraction

- *Storage facilities decommissioning
- *Garage repair consolidation
- *Fleet rightsizing
- *Public lighting lamp and power plant decommissioning

Replacement

- *New police and fire stations
- *Water main, meter, hydrant and distribution line replacement
- *Sewers and collection line replacement
- *Traffic signals and signs
- *Citywide information technology infrastructure
- *Cameras and tools for enhanced public safety
- *BSEED, Elections and other operational technologies
- *Fund for durable equipment purchases
- *An optimal age city fleet
- *New DOT buses
- *New People Mover cars

THIS PAGE IS INTENTIONALLY LEFT BLANK

III. Financing Program Summary

The City Of Detroit operates under a set of constraints and expectations set out in the bankruptcy Plan of Adjustment (POA) that guide the annual budget and financial plan. The bankruptcy eliminated billions of dollars of long-term obligations, such as payments of future debt service, pensions and Other Post-Employment Benefits totaling \$7.2 billion. The POA also proposed investments in City service delivery and infrastructure of about \$1.7 billion through the end of FY2023 through a series of initiatives: blight removal; public safety improvements; transportation and other service improvements; business attraction improvements; IT modernization and management initiatives. Of this total, about \$550 million may be categorized as capital spending.¹

Also, through debt, the POA provided the initial funding for a program of Restructuring and Reinvestment Initiatives (RRI) totaling \$233 million. Given the evident deterioration in the assets and service provision, the City began *Quality of Life* improvement projects under the Emergency Manager in early 2013, prior to bankruptcy filing in July 2013. These have been combined with others and are part of the POA RRI, all of which have been or will be subjected to benefit/cost examination in a formal OCFO's *Business Case* process. \$86 million more funding for RRI came as part of the Bankruptcy *Exit Financing* in December 2014.² The *Business Case* process has resulted in numerous investment projects: some have been completed; some are ongoing. The POA anticipates all RRI will be funded from savings or additional revenues.

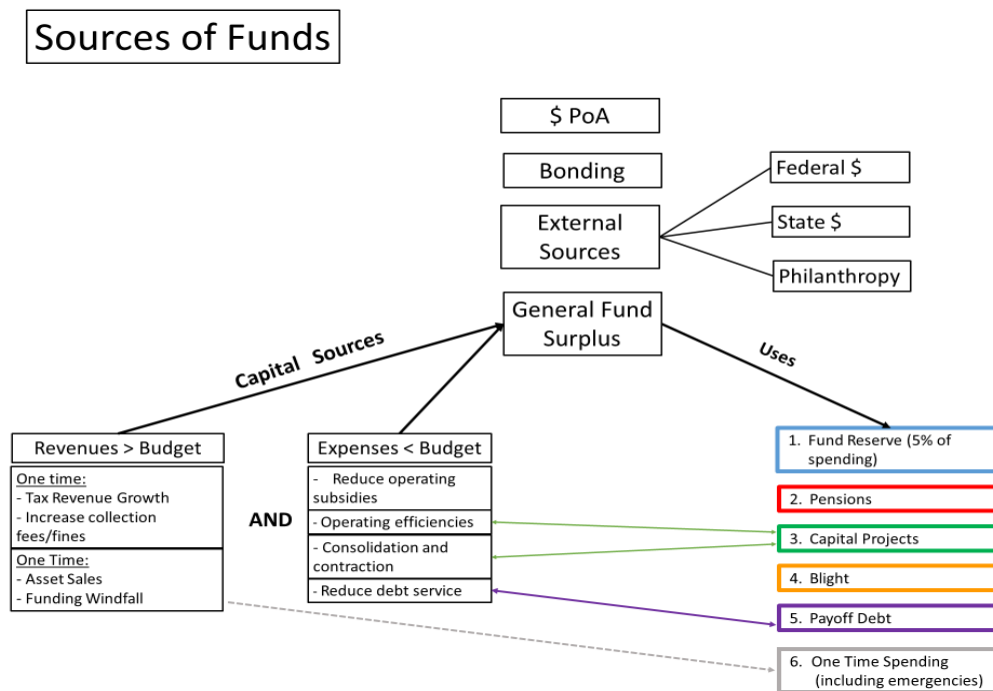
The POA does not anticipate additional borrowing by the City of Detroit beyond the bankruptcy's exit financing. As such, any additional funding for capital investments beyond the POA has to be generated by the City from budget surpluses: surpluses are generated from spending efficiencies, cost savings, additional revenues or some combination of these. (See Figure 1 below). Funding capital investments competes with other priorities for the use of any budget surpluses. Prominent among such other needs is the scheduled increase in City pension

¹ See Table i, Summary of Reinvestment Initiatives (p.8), Expert Report of Charles M. Moore to US Bankruptcy Court, ED Michigan, in re: City of Detroit, Mich.Case number 13-53846.

² Total Exit Financing was \$275 million.

contributions beginning in 2024. The POA relieved the City of actuarial funding for the legacy pension systems during the first ten years after bankruptcy and substituted a schedule of contributions, from a number of parties, including the City, State, Detroit Institute of Arts and private donors, commonly known as the “Grand Bargain.” In 2024 the payments to achieve full actuarial funding are reset; the City’s contributions will have to ensure that both of the closed plans (parts of the General Retirement System and the Police and Fire Retirement System) receive the funding to pay their required benefits.

Figure 1:



Since exiting bankruptcy, the City of Detroit has budgeted and managed rigorously to meet this new reality: *the need to generate annual budget surpluses* to fund new spending needs, including capital investment (modernization, new technology, neighborhood quality of life improvements) and pension payments. The City’s approach to generating these budget surpluses has been, and will continue to be, using conservative revenue estimates and controlled expenditure growth. The revenue estimating process is supported by semi-annual consensus forecasting meetings in place since 2014, where outside experts have validated this conservative approach.³

³ PA 182 of 2014.

The City has not been budgeting the annual surplus in the same year it is realized, but rather, waiting until it is recognized, via the annual audit, and treating it as unallocated fund balance to be allocated among the competing one-time spending needs. For example, the City already has set aside surpluses to support capital projects and blight removal in FY2017 and to increase support for its long-term pension obligations.

During FY2016, the City conducted a comprehensive review of its General Obligation Bond accounts, evaluating and realigning approximately \$50 million of existing appropriations to current priorities. The City is in the process of reviewing business case proposals for use of these bond proceeds at this time.

Debt Financing

Several City-related entities have active debt issuance programs anticipated in this Capital Strategy. The Public Lighting Authority (PLA) is one. In June 2014, the Michigan Finance Authority sold \$185.7 million in revenue bonds, secured by a first lien on certain utility tax revenues, on behalf of the PLA. These were 30 year bonds at 4.53% that included the payment of \$60 million of interim financing that had been sold in the prior year.⁴ The PLA earned investment grade ratings of A-minus from Standard and Poor's and BBB-plus from Fitch Ratings. The PLA expects to use the remaining \$21 million of their bond proceeds for improvements in FY2017. Their ability to issue more bonds for additional capital projects is currently under review and evaluation.

The Detroit Water and Sewage Department (DWSD) will use debt financing, repaid by revenues from rate payers, to support its growing capital improvement program. The DWSD Capital Improvement Plan is subject to approval by the Board of Water Commissioners. The Great Lakes Water Authority issues bonds to cover the DWSD capital program.

The City currently has \$1.8 billion in outstanding bonded debt; debt service is about 15% of the general fund budget, annually. Detroit has access to the credit markets through the Michigan Financing Authority, as evidenced by both the exit financing and the recent refinancing of a limited State-revenue supported bonds (a limited type of credit). The City of Detroit will face hard testing in the bond market; today's bond ratings indicate a wariness toward

⁴ The debt sale consisted of \$92 million of serial bonds due in 2015-2034, \$41 million of term bonds due in 2039 and \$53 million due in 2044.

the City's credit, given the bankruptcy haircuts.⁵ *The binding constraint on future City of Detroit bonding is the ability to repay the debt given the large obligations facing the City by 2024.* As Moody's has pointed out, sustained economic expansion and revenue growth are necessary for the City to meet its requirements.

External Sources

As is the case with other cities, Detroit receives revenue transfers, through grants and aid, from the Federal and State government. Often that money compensates for required investments, improvements and regulations imposed or mandated by them. Detroit's bankruptcy adds, fortunately, another set of players contributing financing: philanthropies and non-profit foundations.

Philanthropy

Foundations and private donors committed \$445.4 million over 20 years as part of the POA, along with the State, to minimize pension cuts to City government retirees and safeguard the artwork at the Detroit Institute of Arts. Since the exit from bankruptcy, foundations have invested an additional \$80 million into joint initiatives with the City of Detroit. These public-private partnerships include neighborhood revitalization, economic development, housing, planning, transit, public safety, health, and workforce initiatives. The ongoing funding is included in this financing program.

Intergovernmental Grants & Aid

The City receives more than \$230 million annually in Federal and State grants. State of Michigan General Revenue Sharing is the City's second largest general fund revenue. There are numerous categorical, matching and formula-driven grants; many are used for operating purposes, some are for capital projects. Federal aid can flow directly to the City of Detroit; some gets passed through various State of Michigan departments. Large capital grants coming to Detroit are for transportation, streets, roads and traffic signals, tree removal, private and public housing, safety and security equipment and community development. The chart depicting the sources of funding for this Capital Agenda provides the amounts currently anticipated by various city agencies over the five-year period.

⁵ S&P & Moody's give Detroit GO bonds a 'B' credit rating. Standard & Poor's Ratings Direct. Michigan Finance Authority Detroit, Michigan; General Obligation; Miscellaneous Tax. July 21, 2016. [S&P] Moody's Investor Service. *Credit Opinion* City of Detroit, MI: Update – Moody's Affirms Detroit's (MI) B2 Issuer Rating; Revises Outlook to Stable from Positive. July 14, 2016 [Moody's].

Conclusion

The first task of a Capital Strategy is to identify the capital needs of the city. The second task is to identify, to the extent possible, the potential financing sources. For a program stretching into the future, not all funding sources can be fully identified today. This Capital Agenda has prioritized the identified needs to fit within currently identified funding sources, which means that Detroit has identified infrastructure needs that this program does not yet fund. These include, among others, a rail line along Jefferson Avenue, removal of lead water access pipes, revitalization and expansion of City parks, and site renovation of the Mistersky Power Plant. Since this is a forward-looking plan out to FY2022, these items are identified as “capital needs” -- necessary infrastructure improvements. Federal and State programs and funding may not exist today; if and when the Federal and State governments raise the priority for funding infrastructure needs, Detroit should be prepared with “shovel ready” plans for them.

THIS PAGE IS INTENTIONALLY LEFT BLANK

IV. Capital Strategy Framework

The Capital Strategy is framed by the City's recovery from bankruptcy and the need to build the foundations for sustained growth. The strategy is a reflection of the need to rebuild the City's public infrastructure in ways that will best support the twin goals of growing the population and creating accessible, neighborhood jobs.

Detroit's near-term future requires that vibrant economic growth in Midtown and Downtown be extended to other commercial corridors in neighborhoods so all Detroit residents benefit from the City's economic revival, enhanced safety and capital investments, where they live. In the longer-term, the past deterioration of the City's assets may now be repaired through taking advantage of the latest technology and national best practices in civic capital projects. LED street lighting, new health offices, smart phone based on-street parking meters, and internet based bus arrival times are some examples already implemented.

Looking to the future, one objective of the capital investment program is to fulfill the leadership role that the City of Detroit has and needs to play in the wider region. Viable, modern and well-designed public infrastructure and space, in the core of the region, benefits all who work, visit, live and invest in the City.

This Strategy is based on the need to support moderate, steady growth in population and employment through public infrastructure investment. The challenge facing Detroit post-bankruptcy is to build and manage growth, after more than 60 years of decline. The City's economy and employers have shifted from auto manufacturing to education, and health services, allowing Detroit to attract and develop new businesses and skilled residents of all ages.

After Decades of Loss, Population Looks to Stabilize and Age⁶

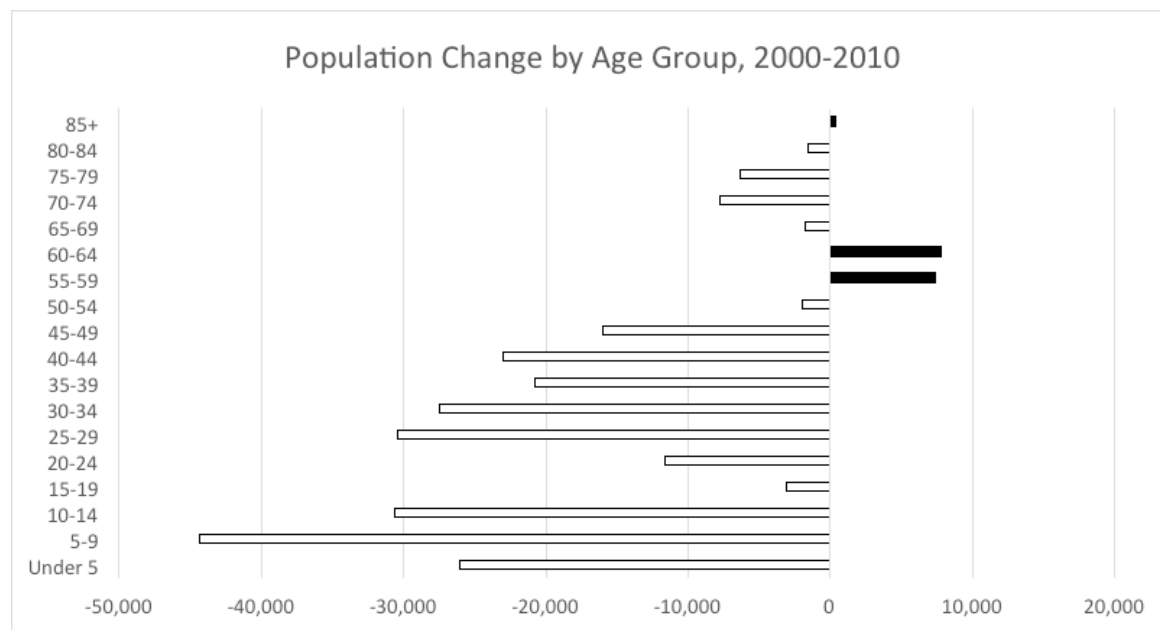
Astonishing population growth in Detroit throughout the first half of the 20th century led to a peak population of 1.9 million people in 1950, predominantly white, according to the US

⁶ This section relies on data from the US Bureau of the Census "Population of the 100 Largest Urban Places: 1950" Table 18 June 15, 1998; US Census Bureau, Gibson, Campbell; Kay Jung (February 2005). "Table 23. Michigan - Race and Hispanic Origin for Selected Large Cities and Other Places: Earliest Census to 1990;" Wikipedia, Largest Cities in the U.S. by Population by Decade, 1950; Projections are from Southeast Michigan Coalition of Governments (SEMCOG) Research data.

Bureau of the Census. Detroit's population has since changed greatly, becoming predominantly black in the 1970's and losing 61% of its overall population by 2015. In 2000, Detroit became the only American city to have a population exceed one million and then fall below that figure. (Figure 1) Today, Detroit has about 677,000 people; in 2010, about 83% of the City's residents were black, 10% were white, and 7% were Hispanic or Latino.

Encouragingly, the City's population loss has slowed to a trickle. According to SEMCOG analyses, the City's prolonged population decline has stemmed from not only a constant stream of residents leaving but also a *dwindling natural birth rate*.⁷ Births outnumbered deaths by only 2,748 in 2013. *With such low natural increases, further population growth will depend largely on attracting new residents.* Moreover, the city's population continues to age, which suggests that Detroit faces an increasing strain on the supply of available labor.⁸ (Figure 2)

Figure 2



Source: SEMCOG.org; Community Profiles, City of Detroit 2014.

⁷ From 2005-2013, people leaving the City outnumbered those moving into the City by a ratio of two to one; this outflow has slowed to only several thousand per year and continues to decrease.

⁸ See discussion in *Retrenchment and Renewal: The Economic and Demographic Outlook for Southeast Michigan Through 2040*. March 2012. Prepared for SEMCOG by Donald R. Grimes and George A. Fulton (Univ. of Michigan, Institute for Research on Labor, Employment and the Economy), pp.18 & following.

The Structure of Detroit's Economy

Detroit's economy today stands in stark contrast to the historic "Motor City." In the Detroit metro area, manufacturing, especially auto manufacturing, has fallen from the second largest payroll sector in 2000 to the fifth largest in 2010.⁹ In 1969, at the height of US Auto's "Big 3", the region's powerhouse – Oakland, Wayne, and Macomb counties – ranked among the 25 counties with the highest average wages in the U.S. As of 2014, no county in Michigan was in the top 100; Wayne had fallen to 127th.¹⁰

Private sector employment in the City of Detroit peaked in 2000 at nearly 300,000 jobs. After the crash of the auto industry in the early 2000s and the Great Recession, employment had bottomed out at 262,752 jobs by 2010; rebounding, 20,000 more jobs were added by 2014. (Figure 3) The education and health services sector was the only sector to experience growth in the City this century; today, healthcare dominates amongst Detroit's 10 largest employers with the Detroit Medical Center, Henry Ford Health System, and the Blue Cross Blue Shield/Blue Care Network.¹¹ Government and education are also among the top employers, with Municipal and Federal government jobs, and Detroit Public Schools and Wayne State University. Quicken Loans, a financial services firm, is the 3rd largest employer in the City. The auto industry, while still in the top 10, is ranked at the bottom of the list: Chrysler is 8th, and General Motors is 10th.

⁹ HUD, *Comprehensive Housing Market Analysis*, July 1, 2014, pg. 2.

¹⁰ Bureau of Economic Analysis, Regional Economic Information Systems. Accessed March 20, 2016. Analysis by Donald Grimes, Univ. of Michigan RSQE.

¹¹ See HUD, *op.cit.* and *Crain's List: Detroit's Largest Employers. Ranked by full-time employees.* July 2013.

Figure 3

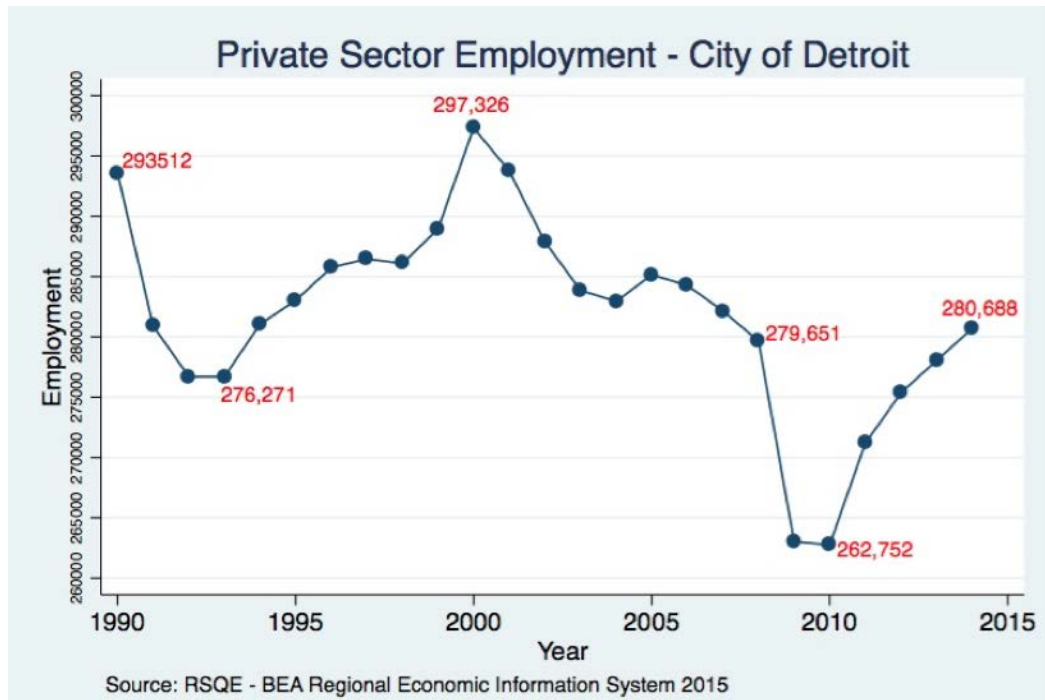
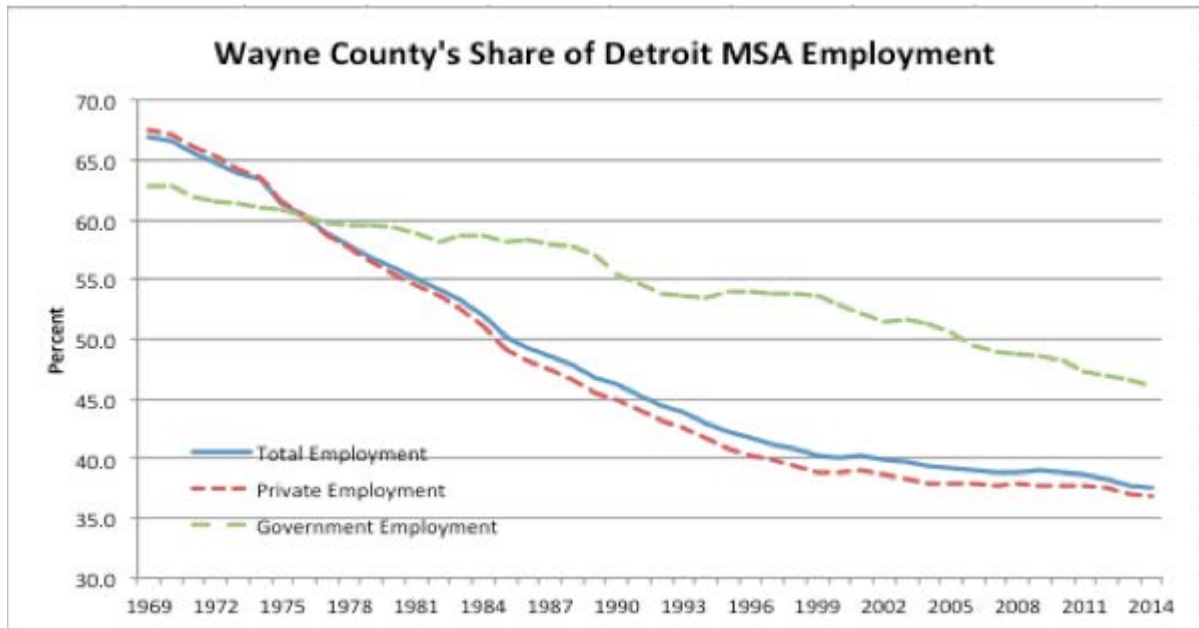


Figure 4



Source: Gabriel Ehrlich, Research Seminar on Quantitative Economics; University of Michigan 2016 BEA

Suburban sprawl marks the region: no city, except Detroit, has ever had an employment share above 6%.¹² But, the City's role in the regional economy has diminished. In 1970, Detroit was the hub: the City accounted for almost 40% of Southeast Michigan's jobs; Dearborn, with the 2nd highest share, had only 5%. Detroit's job share has dropped considerably since then and was only 14% in 2010. Using Wayne County as a proxy for Detroit in the six county MSA, Wayne's share of total employment fell steadily from two-thirds to about one-third from 1969 and 2014. (Figure 4)

Detroit and Southeast Michigan missed an opportunity by failing to attract technology and knowledge-based firms during their boom in the 2000s. In 2015, the counties with the highest average wages are those with significant employment in the knowledge economy, including Silicon Valley's Santa Clara, San Mateo and San Francisco, and New York and Washington DC.¹³ Recently, though, investments in the knowledge economy in the City have offset significant job losses in other sectors. For example, TechTown, a technology business accelerator and incubator has served more than a thousand companies, raised more than \$107 million in start-up capital and contributed almost 2,000 jobs to Detroit's economy. A vigorous program of investment in public infrastructure is an essential component of further support to private sector job creation. This will also expand the local income tax base, where currently two-thirds of Detroit residents commute out of the city for employment.

Detroit's Housing Market

Amongst the worst housing markets nationally during the 2000's, Detroit was hit particularly hard by the Great Recession; it is now on the path to stability, due in part to the success of Detroit's blight demolition program and surging interest in established pre-war neighborhoods.

Detroit had the lowest median property value amongst the 50 most populous cities both during the Recession (2007-2009) and after, according to the US Census Bureau.¹⁴ Estimated 2010-2012 median property value in Detroit was \$48,000, well below Wayne County's \$91,900 and a fraction of the \$174,600 national median. Between 2007 and 2012, Detroit's median

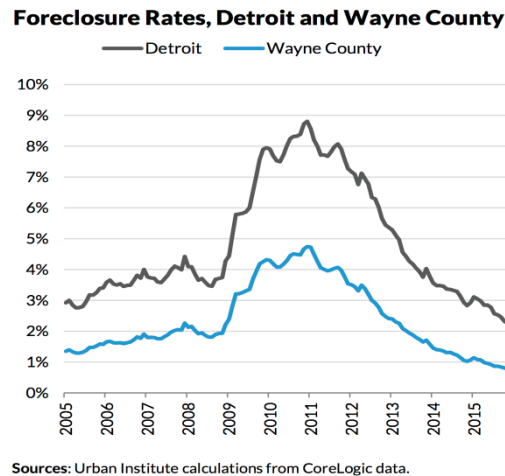
¹² SEMCOG, Analysis by Brian Parthum, *10 Largest Civil Divisions by Employment, SE Michigan*. Provided June 2016.

¹³ BEA, Grimes Analysis, *op.cit.*

¹⁴ US Census Bureau, "Home Value and Homeownership Rates: Recession and Post-Recession Comparisons from 2007–2009 to 2010–2012" November 2013, pg 8-10.

property value fell 40%, far exceeding the Wayne County and national median losses of 24% and 9%, respectively. This suggests that the already-depressed Detroit housing market was particularly susceptible to the macroeconomic forces of the Great Recession compared to the national housing market.

Figure 5



A surge in foreclosure rates hastened the market's steep decline during the Great Recession and foreclosures fed into the City's blight problem as well, according to the Detroit Blight Removal Task Force.¹⁵ In a sign of improvement, foreclosures have become less common; annual foreclosure rates have fallen below pre-recession levels. (Figure 5) Further, many of the factors generating foreclosures – underwater loans and low home equity values – are now trending in a positive direction.¹⁶ Serious delinquencies (including loans delinquent by 90 or more days and loans either in foreclosure or not sold at auction) had returned to pre-recession levels by 2014.¹⁷

One effort to help revitalize the market has been an aggressive public-private partnership to eliminate blight in Detroit, which has shown strong results thanks to more than \$200 million in Hardest Hit Funds (HHF) from the U.S. Department of Treasury. Since the program was implemented in 2014, more than 10,400 vacant buildings have been demolished.¹⁸

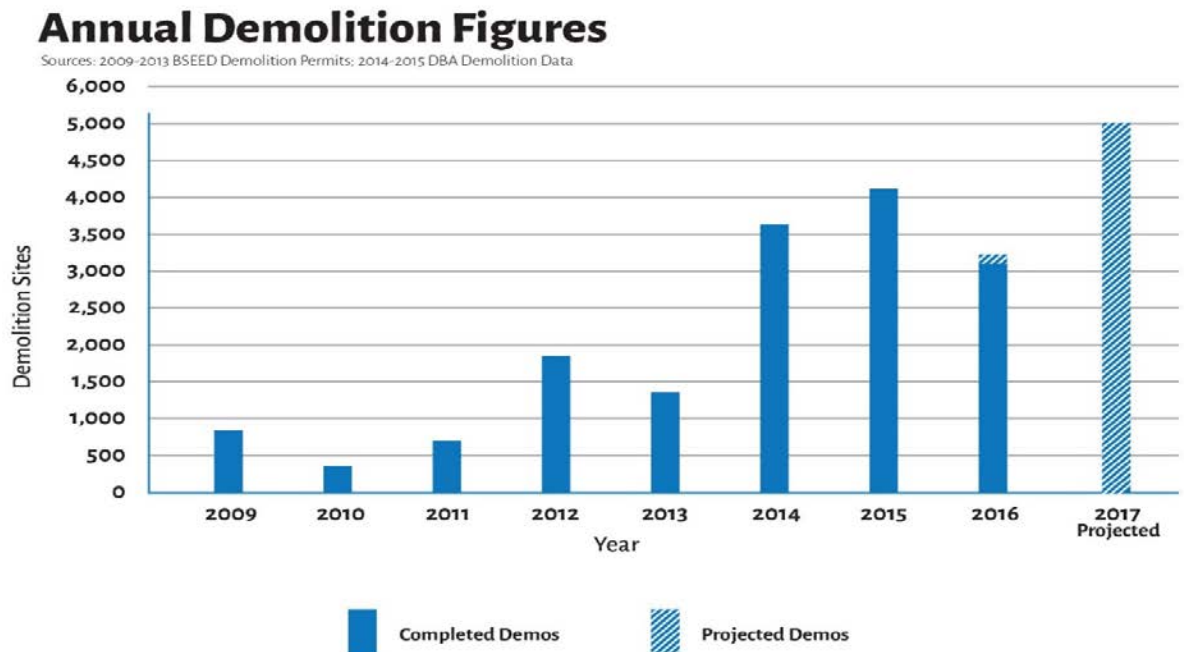
¹⁵ More than 70,000 Detroit properties entered foreclosure between 2008 and 2013, representing 18.5% of all Detroit properties. See, "Blight Removal Task Force Plan" May 2014, p. 204.

¹⁶ From 2009 to 2015, the share of Detroit's home loans underwater dropped by half and average household equity rose to nearly 30%. See, Urban Institute, "Detroit Housing Tracker" Q1 2016

¹⁷ Urban Institute, "Detroit Housing Tracker" Q1 2016

¹⁸ <http://www.detroitmi.gov/demolition>

Figure 6



Blight removal has increased local wealth, even as it has taken properties off the tax rolls. A detailed data report released in October 2015 shows a significant increase in total home equity of homes in the demolition target zones. The value of homes within 500 feet of a HHF demolition increased by 4.2%; and the value of homes in zones where a multifaceted blight removal program was deployed increased by 13.8%.¹⁹ The City estimates that the resulting increase in overall property values already exceed \$209 million.²⁰ There is considerable upside potential for the City's property markets if Detroit's recovery can be sustained. The Capital Strategy is designed to underpin and promote that recovery.

Looking Towards the Future

A stable, steadily growing population requires public investment in the infrastructure necessary to support the private economy and to modernize the depreciated assets of the City government. These are the goals that form the basis of the five year Capital Strategy.

¹⁹ Multi-faceted blight-elimination includes HHF demolition, nuisance-abatement lawsuits, sales of side lots to neighbors and home auctions. Research per [The Skillman Foundation](#), [Rock Ventures](#), and [Dynamo Metrics](#), in partnership with the [City of Detroit](#). Report details can be found at [DemolitionImpact.org](#).

²⁰ <http://www.freep.com/story/news/local/michigan/detroit/2016/07/19/detroit-reaches-blight-milestone-10000-demolitions/87284392/>

The immediate post-bankruptcy years offer a glimpse of the economic development that may await the City. Clear signs of progress exist. Improvements in public services range from bus and ambulance systems, street lighting, police patrols, refuse collection, and access via computer and cell phone technology, among others. Improvements in the private economy include new businesses, restaurants and jobs, rising home values, and a falling unemployment rate. Since 2010, the City's inventory of multifamily housing has been growing – approximately 24 new developments and 1,794 units were built by mid-2015; nearly 518 new units were built already in 2016, this year, nearly double the total in 2015.²¹ Recent projections from the Housing Revitalization and Development Department (HRD) indicate, conservatively, a pipeline of at least 1,444 units coming on line by the end of 2018. A well designed public infrastructure program will ensure over the long-term that this progress is maintained into the future, ensuring services, such as police and ambulances, refuse and transportation are available, along with improved streets, sidewalks, water and drainage pipes, parks and recreation areas.

Rebuilding Density

The City's Capital Strategy reflects the need to focus public infrastructure investment where it will create the greatest return by support for the existing population and attracting new residents and businesses into thriving neighborhoods.

The City's Departments of Planning and Housing Development are developing plans with the primary goal of growing basic services, such as shopping, infrastructure and recreational needs for citizens.

Building off of existing blight initiatives, strong community involvement in these neighborhoods will identify areas that can be converted into greenways, linking together commercial and residential areas, which would beautify these living spaces and make them more practical for a growing community. The City's Capital Strategy supports these efforts with housing restoration, new and restored parks and recreation areas, repaired streets and sidewalks, improved water pipes and drainage systems, environmental green infrastructure, and landscaped commercial strips for local business. Planned transportation investments include new bike paths and expanded public bus routes, the light-rail Q Line, which opens in 2017, and the Dequindre Cut, a pedestrian path between the riverfront and Eastern Market.

²¹ Detroit Economic Growth Corporation. *Housing Unit Inventory and Development Report*. Draft dated August 22, 2015.

These neighborhoods will be marked by design excellence and a variety of choices – by type of housing and by price. Housing development will fill in vacant neighborhood spaces by restoring structurally sound Land Bank properties, or with newly built apartment buildings, duplexes, attached townhouses, courtyard and garden apartments, etc. The commitment to protect what is affordable now, and in new developments, speaks not only to pricing variety but also to a commitment to social justice. There will be mixed income and affordable housing throughout the City, ensuring that the recovery will be inclusive and that those who have remained in Detroit benefit from its resurgence.

This Strategy builds on existing amenities and creates new, unique advantages unseen in other urban labor markets to attract new jobs and talent. Detroit already has a number of unique features, such as the bustling Eastern Market, iconic art-deco buildings, and the world-renowned Detroit Institute of Art to attract new residents and jobs and talent to the city. Detroit's unique advantages attract firms, ranging from Fortune 500 companies like Ally Bank, to international businesses seeking to expand like Sakthi Automotive Group, who have relocated to or expanded in Detroit in recent years, attract skilled, high-wage workers from the suburbs, while also providing jobs and training for Detroiters. Motor City Match, a program which links owners of available property with select entrepreneurs, offers the revitalization of commercial corridors and, with it, the ability to provide residents with ready availability of ordinary goods and services.

Restoring Public Safety and Health

Years of depreciation and insufficient resources to invest created a need to provide new assets to assure public safety, personal wellbeing and quality of life. At the top of many lists for new public investment, beginning with the bankruptcy Plan of Adjustment, are vehicles, facilities, technology and training for police, fire and public health. These items are all part of the Capital Strategy. The fleet plan, for example, will put in place sufficient firefighting rigs to ensure that Detroit's Fire Department reaches the internationally recognized standard for top-level response readiness, which will significantly lower property insurance rates in the City. And, within four years, the costs from the downtime of the Police fleet will be reduced through the ideal mix of types and ages of vehicles. The Police Department will continue to invest in

renovating facilities and state-of-the-art technology, including body cameras, and real-time links from the field to stations and headquarters.

Modernizing City Government and Civic Structures

The effects of the slide to bankruptcy are all too evident in the deterioration in the City government's facilities and systems. Detroit government has yet to adequately adjust to the decline in the city's population and tax base. Many public buildings are in deplorable and hazardous condition, yet remain open and in service. Often they are underutilized, starved of modern equipment and in locations long-ago abandoned by most taxpayers. In addition, the City now possesses a large number of school buildings abandoned by the Detroit Board of Education, with no formal plan or resources for coping with them.

Cataloguing and rationalizing the City government's assets – closing some, combining some, repairing some – is a first step in grabbing hold of what we have and managing our way to stewardship in the future. This Capital Strategy represents only the beginning of that process.

We are sixteen years into a new millennium. The Capital Strategy framed here, building on investments made in fiscal years 2015 and 2016, is an effort to develop a coherent and sustainable approach to Detroit's infrastructure needs over the medium term – the next five years. It is a strategy which will require reinforcement and supplementation as the future unfolds; the timing and details of execution will be fleshed out as it takes shape. Eventually, the Capital Plan should have a ten year scope, looking as long-term as circumstances allow and projects require. Importantly, this document and the framework presented here represent the *start of a decision-making process* requiring public input and choices about the city's public capital priorities. The process will continue into the future responding to the changing needs of the city and its residents.

V. Capital Plan Asset by Category

City assets in eight categories have been analyzed through working groups and planning processes. The assets have been profiled and assessed with best available information, with improvement proposals outlined for a five-year capital plan horizon. A roadmap for long-term improvements in information tracking and analysis is offered for each category as well.

Four types of improvement strategies are proposed:

- “State of Good Repair” is an industry standard maintenance condition under which an existing asset is safe, reliable, with systems performing over its useful life. To maintain this state, residual life is assessed against repair costs.
- “Replacement” refers to a new asset which is substantially similar to an existing asset it causes to be retired, though more modern or enhanced.
- “Program Expansion” refers to an asset proposed to be substantially different in structure from an existing asset it causes to be retired, or proposed to house functions not presently being performed.
- “Contraction” strategies make decommissioning of assets possible, either through deconstruction, disassembly or mothballing activities, or consolidation and transfer of operations to another location.

The results of this planning process are not exhaustive, and are uneven. There is some effort to assess operational impacts of action (or inaction), but much work needs to be done quantifying these. This initial planning process is the basis for a future state of coordinated and inclusive permanent asset planning and management structures and processes in City government.

I. City of Detroit Municipal Buildings

A Buildings Consolidation Working Group considered agency buildings requests against possibilities for the City to reduce its buildings footprint.

Proposals Recommended for Building Assets.

1. Fund a combination of “crisis” building needs and State of Good Repair projects, with 75% for the backlog of urgent repairs and 25% to focus on bringing a few key buildings – highly trafficked and hosting integral functions – to a State of Good Repair.
2. Fund remaining building reinvestment projects that are deemed a lesser priority, or are projected to be needed to achieve a State of Good Repair in all operated buildings, once a comprehensive assessment is completed.
3. Contract a comprehensive assessment of city inventory, with long-term reinvestment plan.
4. Work to consolidate the city’s municipal footprint, starting with moving the contents of several old and obsolete buildings into DWSD’s underutilized Huber warehouse.
 - a. Fire apparatus repair services from Erskine, and disposition of valuable Eastern Market site
 - b. Records and stores from the 1920s Human Services Center on Grandy
 - c. Police Homicide files from 3501 Chene, and disposition of that site
 - d. Police patrol vehicle repair from Russell Ferry garage, to free up space to consolidate the DPW Street Maintenance and Solid Waste heavy truck line from the Michigan/19th garage

Guided by a goal for a smaller buildings footprint, other significant recommendations include:

5. Consolidation of the majority of Michigan/19th campus into Russell-Ferry, and disposition of that century old site. Moving light-duty service lines from Russell Ferry to Huber frees up space to become the heavy-duty service hub.
6. Repurposing an inventoried building, not yet identified, for Health Department expansion.

The recommended costs make limited use of engineering estimates, which aren't completed for most items. Instead, it makes use of rules of thumb, where available, to approximate certain standard activities, such as \$ per square foot of a certain type of building construction; etc.

Profile of Assets: City Buildings.

The City owns 758 municipal structures, which includes buildings such as police precincts and the Election Commission offices, as well as others with maintenance requirements, such as parks, a boat launch and salt domes. These structures are used by the municipal agencies listed below, or by third-party operators on their behalf. The City operates out of several other structures not included here, most notably the Coleman A. Young Municipal Center (owned by the Detroit-Wayne Joint Building Authority) and small space leases. These structures include only those presently or formerly used for municipal service purposes.

Agency	# of Sites	# with any Assessment completed	Base Capital \$ Proposals (Near-term only)	# Proposed for decommissioning
36th District Court	1	1		
Airport	18	0	Excluded	
DPW	27	5		
Elections	1	1		
Fire	52	29		14
Recreation	495	25		11
Multiple (CAYMC-DWJBA)	1	1		
GDRRA	1	0		
GSD	14	14		2
HEALTH - AC&C	1	1	New is excluded	1
Health & Wellness	2	1		
Homeland Security	1	0		
MAYOR'S RESIDENCE	1	1		
MUNICIPAL PARKING	21	10		
NONDEPARTMENTAL	7	7		7
PLD	32	2		2
Police	23	14		
Total	758	112	\$300 -\$500M	37
DDOT	11	0	Excluded	
DWSD	49	0	Excluded	

These structures are in all states of occupancy: from fully utilized to unoccupied and mothballed. Many structures are not optimally used, such as storerooms and yards, in part awaiting operational restructuring initiatives such as citywide inventory management, and the full bifurcation of the Detroit Water and Sewerage Department.

The General Services Department has the responsibility for keeping City buildings in a state of good repair, with a staff of 35 skilled tradespersons and a General Contractor. The Detroit Building Authority is contracted by the City for building construction and major renovation projects. DWSD and DDOT presently oversee their own building maintenance and improvement

programs. A combination of General Fund and other grant and enterprise funds support maintenance and improvement.

Assessment Methodologies for Buildings

Agencies formulated capital building requests considering the capacity of existing assets and new operational needs. The Police, Fire and Health Departments requested new service centers consistent with post-bankruptcy expansion of their programs, and the Department of Public Works requested replacement and modernization of the century-old Michigan/19th campus.

GSD tradespersons completed “Crisis Surveys” of existing buildings in 2014, under the Emergency Manager, addressing only those conditions representing imminent threats to safety and property. Twenty comprehensive building surveys were completed in the summer of 2016, addressing all of the buildings’ structural, mechanical, plumbing, and electrical systems. These assessments describe the gap between existing structural and operating conditions, and what condition would allow the useful life, or “State of Good Repair,” to be reached. Examples of the assessments include:

- Condition ratings scorecard completed by skilled tradespersons for each asset
- Review of work order histories associated with an asset
- Actions needed for regulatory compliance (ex: ADA, OSHA)

City buildings as a whole are not in a state of good repair. Of the 20 locations surveyed this summer, 100% were found to have a crisis repair need. The average projected cost of a crisis repair is \$330,000, with outliers as high as \$1.7 million. Based on these limited assessments, citywide building crisis repair requirements are likely to be staggering. To achieve a State of Good Repair for the city’s buildings may cost more than double the initial crisis repair estimates.

Building consolidation proposals were considered with potential vacation of old, marginal or obsolete sites to reduce recurring security and utilities costs as well as reduce capital expenditure requirements. There are five sites considered: Grandy; 3501 Chene; Erskine; Huber; Michigan & 19th campus.

Other direct operational impacts include: costs for moving; reduced overtime and contractual services costs due to fewer emergency repair jobs; sales potential of some sites.

Plan of work for City’s Building Assets.

- Lay out **permanent Facility Steering Committee Charter** (scope, composition, processes)
 - Better tracking of all component building systems by GSD
 - Set standards for optimal occupancy costs; for places not optimized, oversee development of project plans that consolidate or co-locate operations
- Empower a **Task Force on Consolidation**, consisting of all stakeholders in the Huber and Russell Ferry consolidations, to assure optimal and cost-effective project planning
- Empower a **Task Force on City facility deactivation and decommissioning**, to lay out a roadmap for reducing the City’s buildings footprint in order to reduce capital requirements in the future

II. General City Fleet

The City of Detroit Vehicle Steering Committee, a 7-member body consisting of Mayor's Office, Office of the Chief Financial Officer, Department of Innovation and Technology and General Services Department executives, sets overall policies and resources for the General City fleet (excluding Detroit Water and Sewerage Department and Department of Transportation fleet). The Committee has endorsed a long-term Comprehensive Fleet Reinvestment Plan.

Proposals Recommended for City Vehicle Reinvestment

1. This plan calls for complete replacement of the aged fleet in the next four years, under few, large buys where unit prices can be leveraged and units standardized.
 - o further contraction, with at least 400 vehicle units cut, based on agency daily needs
 - o move from buying to leasing where utilization or purchase cost justify it
 - o formalized process for vehicle sharing, through the creation of a general pool
2. This plan calls for 3 standard in-vehicle IT packages, and re-thinks which vehicles get outfitted with which level of IT.
3. The plan includes fleet expansion, largely Street Fund and grant-funded, for beautification, the increased park program and realignment of insolvency-era operating deficiencies.
4. An initial conversion of portions of light duty fleet to electric vehicles is assumed in the recommendations above.

PURPOSES OF FLEET CAPITAL NEEDS/REQUEST

Program Replacement	Program Expansion	Contraction
Public safety response vehicles	Public Health outreach vehicles	Loaner pool sharing
Street related vehicles	Beautification program	
General purpose units	Building maintenance increase	
Mowers		
Electric vehicle program		

FLEET SCHEDULE 1

Purchase Plan	Total Required Lower Bound	2016-17	2017-18	2018-19	2019-20	Total Required Upper Bound
Replacement Base cost	\$95,751,870	\$32,166,840	\$21,572,280	\$22,896,600	\$19,116,150	\$102,992,604
Capital Add costs	\$8,858,250	\$8,393,250	\$232,500	\$232,500	-	\$9,477,000
In-Vehicle IT	\$14,500,000	\$5,500,000	\$3,000,000	\$3,000,000	\$3,000,000	\$14,500,000
Total proposed costs	\$119,110,120	\$46,060,090	\$24,804,780	\$26,129,100	\$22,116,150	\$126,969,604
Total proposed units: replacement + capital	1972 (=1796+176)	729 (=553+174)	414 (=413+1)	438 (=437+1)	393	1972
Total Not Yet Justified – Utilization Review	\$17,783,620	\$0	\$0	\$0	\$0	\$18,948,000
Units Not Yet Justified – Utilization Review	239	-	-	-	-	239

Profile of Assets: City Vehicles and Rolling Stock

There are nearly 2500 vehicles in the General City fleet, ranging from fire engines and police patrol cars, to riding mowers and aerial trucks, to pickup trucks and passenger vans. Equipment maintained by the General Services Department shows below. (Police undercover surveillance, Public Lighting Authority, and DDOT and DWSD fleets are separately funded and managed.)

The General Services Department has the responsibility for keeping City fleet in a state of good repair, for recommending replacement, and for advising agencies on fleet expansion or contraction, under the Vehicle Steering Committee. A combination of General Fund and other grant and enterprise funds support acquisitions, maintenance and improvement, through a mix of specialized service suppliers and 80 mechanics operating out of Russell Ferry, Erskine, Michigan/19th and Davison garages.

FLEET SCHEDULE 2

AGENCY	CURRENT UNITS TYPES BY AGENCY (July 1, 2016)			
	Agricultural	Heavy Duty	Light Duty	Grand Total
10 – AIRPORT	5	5	6	16
19 - DPW - SOLID WASTE	21	72	88	181
19G - DPW - STREET MAINTENANCE	87	94	34	215
22 - DPW - ENVIROMENTAL AFFAIRS			25	25
23 – FINANCE			3	3
23A - FINANCE - RISK MANAGEMENT			1	1
24 – FIRE	4	76	161	241
25 - HEALTH & WELLNESS			1	1
25HACC - ANIMAL CONTROL & CARE			6	6
31 – IT SERVICES			4	4
32 – LAW			1	1
33 - MAYOR'S OFFICE			5	5
34 - MUNI PARKING PVB-G	4		75	79
34ASP - MUNI PARKING APS –E			9	9
35 - NON-DEPARTMENTAL			1	1
36 - PLANNING & DEVELOPMENT			1	1
37 – POLICE	25	3	1,075	1,103
38 - PUBLIC LIGHTING DEPARTMENT	2		8	10
39 – RECREATION			26	26
43 - HOUSING REVITALIZATION			6	6
46 - OFFICE OF HOMELAND SECURITY			2	2
47 - GENERAL SERVICES DEPT (GSD)	27	16	84	127
47G - GSD – GROUNDS	242	53	97	392
52 - CITY COUNCIL		1	8	9
53A - OFFICE OF INSPECTOR GENERAL			1	1
54 - DETROIT LAND BANK AUTHORITY			2	2
60 - 36TH DISTRICT COURT			2	2
71 – ELECTIONS		1	7	8
Grand Total	417	321	1,739	2,477

FLEET REFURBISHMENT SCHEDULE 3

MCC (classification code)	Yrs	Mileage / Engine Hrs
Police patrol and EMS	4	100,000 miles
Utility carts, motorcycles, sweepers	5	50,000 m / 800 hrs
Mowers, rear-loaders, pavers	7	100,000 m / 2500 hrs
Autos, light trucks	8	100,000 miles
Medium trucks, dump trucks, fire rigs, aerial devices, tractors, flushers	10	100,000 m / 3600 hrs
Forklifts / pushmules, rollers, front-end loaders, heavy truck dual meters	12-20	7200 hrs

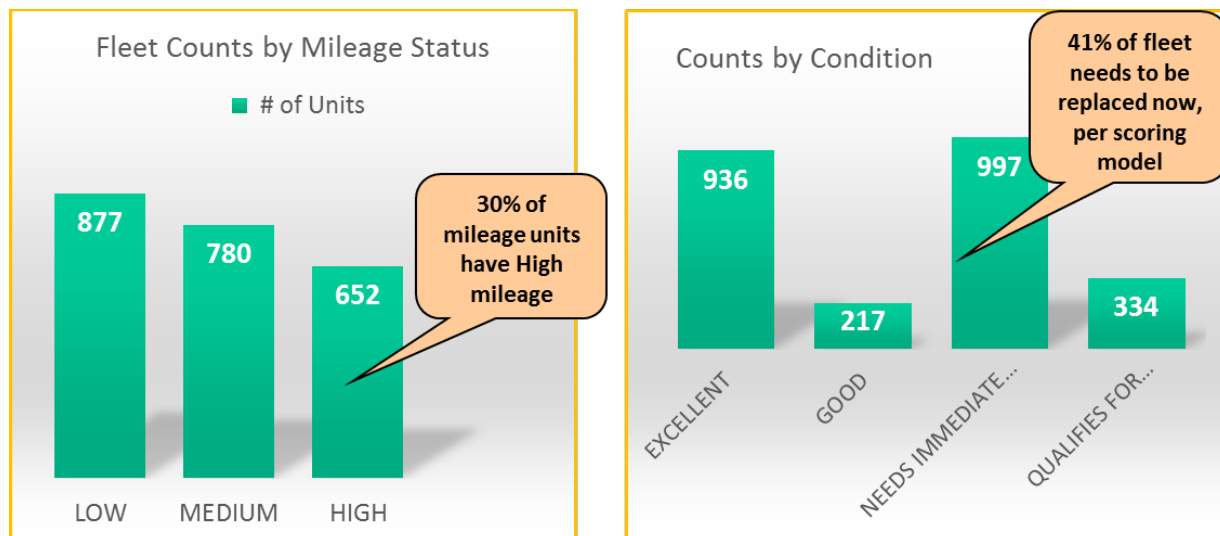
Asset Assessment Methodologies for City Vehicles

Vehicle replacement requests were informed by a scoring model for vehicle condition. Additional vehicles acquisitions were informed by new or expanded service levels identified by operating agencies. A national rightsizing consultant assessed the specification and purchase strategy against industry best practices. The Condition Assessment describes the gap between the existing structural and operational condition of each asset and the condition that will allow it to reach its useful life (or “State of Good Repair”). GSD has rolled out a scoring model based on vehicle mileage, total cost of repairs over vehicle life and age.

A rightsizing consultant was engaged to perform field studies and apply best practices, through:

- Fleet deployment assessment:
 - how workers get specific vehicles, inspect/steward them
 - process of coming in and out of service
 - storage and parking
- Survey operational requirements: vehicle availability by type / spec; optimal counts
- Benchmarking of vehicle asset levels and related policies in peer jurisdictions
- Define “underutilization” standard regarding frequency of vehicle use, operational requirements

City Fleet	# of General City Units
July 1, 2016 REVS count	2471
Net through Rightsizing (cuts+adds)	-407 +176
Proposed New Count	1996
Utilization reviews needed before buy	239



By optimizing the city fleet, GSD Fleet Management Division can realize significant operational savings. The ability to focus more on preventive maintenance than on unscheduled maintenance results in less overtime, less repair service contracts, and lower parts purchase costs. GSD expects over \$800,000 savings in annual maintenance budget at the end of the plan horizon, once the fleet is an optimal age.

An optimized fleet also increases the ability for operational staff to keep to scheduled service delivery routes, due to increased vehicle availability, and this will impact agency overtime usage favorably.

Plan of work for City Fleet

- Oversee proposed operational reforms to GSD Fleet Management Division, to integrate best practices in work order planning and in maintenance, so that maintenance and repair costs are reduced while service efficiency and quality are increased.
- Lay out Vehicle Steering Committee Charter for overseeing and enforcing policies for agency executives, fleet coordinators, vehicle operator and repair organization.
- Stand up a Utilization Board of Review to continuously monitor agency vehicle usage activity and to approve future fleet expansion.
- Provide guidelines to customer agencies for process improvement in the areas of vehicle sharing, operator care for vehicles, and scheduled maintenance.
- Allocation of total costs of vehicle ownership to customer agencies.

III. City of Detroit Housing and Neighborhoods

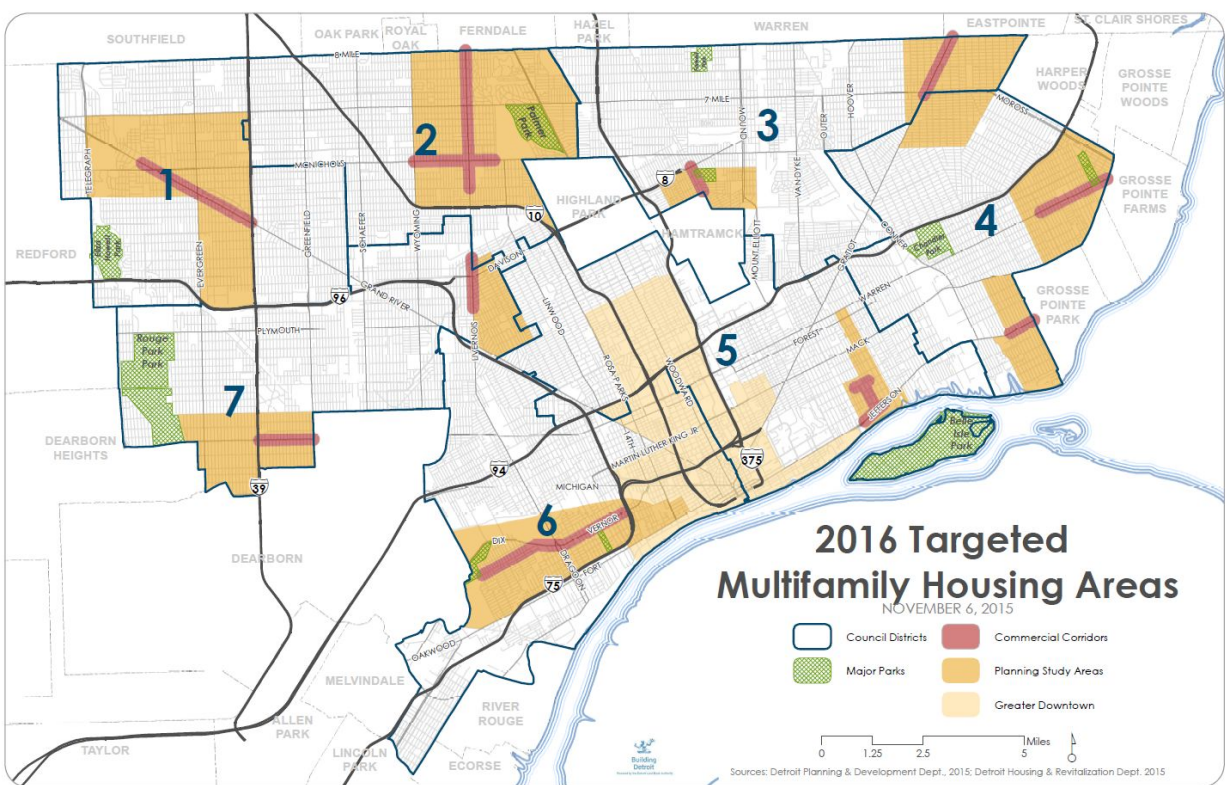
Land use and housing are prime assets defining neighborhoods. The Planning and Development Department (PDD) and General Services Department (GSD) have begun to devise strategies for dealing with the city's surplus of land, and the Detroit Housing Commission and PDD are supporting housing redevelopment strategies.

Proposals Recommended for Housing and Neighborhoods

1. This plan calls for Neighborhood development. PDD is coordinating infrastructure replacement and expansion.
2. The DHC will renovate and waterproof units and replace housing.
3. A beautification plan calls for signage and median improvements to beautify major gateways and corridors throughout the city.

PURPOSES OF CAPITAL NEEDS/REQUEST

State of Good Repair	Program Replacement	Program Expansion
Land Bank property management	Neighborhood Infrastructure	Increased mobility
Beautification	Replacement Housing	
Public housing unit renovation		



Profile of Assets: Housing and Neighborhoods in the City of Detroit

The City owns vast tracts of land within the corporate limits of the city of Detroit. Residential parcels are largely under Detroit Land Bank Authority management, and the Planning and Development Department owns the majority of publicly-owned commercial parcels. These parcels may or may not include structures, and are in various states of use or disuse. Land assets in this category exclude those used for municipal service purposes.

Land Managed by the Detroit Land Bank Authority (July 2016)

Type	Count
Residential lots	64,804
Residential structures	27,059
Nonresidential lots	1,664
Commercial structures	209
Other	560
Total	94,296

The Detroit Housing Commission manages 21 family and elderly public housing developments totaling 3,468 units, and administers 5100 Section 8 scattered sites.

PDD establishes the vision and the mechanisms for achieving that vision. The Department of Public Works and the General Services Department have key responsibilities executing plans for open space.

Asset Assessment Methodologies for Housing and Neighborhoods

PDD provides professional and technical expertise in planning, design, and development that helps to inform and seed sustainable environments and neighborhoods for citizens and businesses. PDD is focused on neighborhood planning and development and is moving forward with creating neighborhoods with convenient, safe, and pedestrian-oriented access to the places people need to go to and the services people use nearly every day or on a regular basis -- without relying heavily on a car. These neighborhoods include the following attributes:

- building scales that are comfortable for pedestrians;
- mixed-use and dense development near neighborhood services and transit;
- distinct and identifiable centers and public spaces;
- a variety of connected transportation options;
- accessible design; and
- a street grid or frequently connected network of local streets.

There has been much interest in the city, and organizations such as Data Driven Detroit and Detroit Future City have collected information about neighborhood systems. PDD has recently undergone a reorganization to focus on neighborhood planning, and it has three design directors that represent the east (Council districts 3 and 4) west (Council districts 1, 2 and 7), and central (Council districts 5 and 6) areas of the city. The region design directors work collaboratively with key city agencies to set expectations and help project future demand and service needs: Housing and Revitalization Department (HRD), Detroit Land Bank Authority (DLBA), Detroit Economic Growth Corporation (DEGC), and the Jobs and Economy Team, Mayor's Office.

HRD directs the strategy, deployment and management of the City's housing policy and U.S. Housing and Urban Development entitlement funding. HRD is investing HOME and CDBG resources to create new affordable single-family and multifamily mixed use developments, and it is creating development initiatives to transform other Detroit neighborhoods.

GSD has led the development of a beautification plan for commercial and industrial corridors throughout the city. This plan responds to weeds, litter and unhealthy environmental conditions

with additional controls, with open space enhancements and graffiti prevention, and with interagency partnerships to increase service levels. The beautification assessment mediated operational costs of program expansion with new equipment and infrastructure installation.

PDD has begun to meet with the City's administrative agencies so that operational impacts of comprehensive neighborhood reform can be managed as work is designed and implemented.

Plan of work for City's Housing and Neighborhoods

- Update the city's Master Plan
- Develop the following long range citywide plans:
 - a. Mobility plan
 - b. Green and open space plan
 - c. Historic preservation plan
- Lay out interagency working groups to guide neighborhood infrastructure project design
- Provide guidelines to consider operational requirements in ongoing neighborhood maintenance, and promote better geographic tracking of neighborhood infrastructure asset maintenance

IV. Information Technology Systems

An Information Technology Working Group considered agency requests and Department of Innovation and Technology initiatives.

Proposals Recommended for Information Technology Systems

1. Citywide IT Infrastructure requirements basic to operating the government.
2. Projects already "In-flight," where money is already on the ground and initial phase(s) are already completed.
3. Projects that are mandated, for which we would be out of compliance to not fulfill.
4. Urgent needs that make it possible to meet Administration service level priorities.
5. Quick wins that are simple and low-cost.

The recommendations make use of estimates. Initial project costs were determined by 1) using market pricing and extending it to calculate a total cost (on per unit items like computers); 2) Locating projects of like size and complexity in other communities and using their costs as a benchmark or 3) Performing more complex and complete business case analysis. Additionally, project rankings make use of rules of thumb, where available, to identify planning resources.

There are no costs for decommissioning proposed.

Profile of Assets: Citywide Infrastructure and Agency Operational Equipment.

The City owns a diverse set of enterprise-wide information technology including storage systems, network equipment, application and database servers, email systems, large printers and copiers, personal computing equipment- including laptops and tablets – and, backup and recovery systems. The City also owns agency operational technology equipment and systems ranging from communications radios and voting machines to custom developed applications and cloud-delivered services, including new financial and payroll systems.

The Department of Innovation and Technology is completing a reorganization under which Service Level Managers will support agency operating needs, and subject matter experts will operate citywide IT infrastructure. A complete inventory of agency technology assets will be compiled as the new staff are placed, so that comprehensive assessments can guide future planning. Known IT assets are in all states of use: from optimal, to underutilized, to mothballed. Many assets await the completion of major operational restructuring initiatives such as the citywide inventory management initiative and separation of the Detroit Water and Sewerage Department from the Great Lakes Water Authority.

A combination of the General Fund, enterprise funds and grants support the necessary maintenance and improvement of these systems and assets. DoIT oversees the maintenance and improvement of these systems and services with 128 positions.

Investment Methodologies and Rankings for Information Technology

IT requests were formulated by agencies and by DoIT staff based on their respective assessments of operating need. Some of the IT investments were signaled in the City's Plan of Adjustment.

User agencies, IT staff, and an executive work group employed a prioritization matrix which reflected a consistent set of criteria, and indicators. Each project's rating included the project's urgency, DoIT alignment, characteristics, risk, operational impact and compliance factors. The projects were rated independently by each individual, after which the matrix accumulated consensus ratings for three areas from which project priorities could be discerned:

- Urgency: a weighted product of operational urgency and alignment with DoIT's roadmap
- Simplicity: a weighted product of project operating factors such as size and duration combined with project risk factors including adoption, resource availability and organizational disruption.
- Value: a weighted product of operational efficiency and standardization benefits combined with an assessment of the various compliance, financial and reputational risks.

The initial round generated over seventy project requests and totaled over \$92 million. Broadly speaking, agencies did not include operational Impacts in their requests. In order to get the requests into a more manageable form, the following process was employed:

- 1) All new computer, kiosk, server, storage and wireless network project requests were consolidated into a single technology request type that would represent the true enterprise need. The original projects were removed from the consensus rating process and the single technology project was entered into the DoIT project inventory.
- 2) Any projects that, after further discussion with the respective business owners, were identified as an operational expense were removed from the consensus rating process.
- 3) Any projects that, after further discussion with the respective business owners, were identified as "not needed", were removed from the consensus rating process.

The remaining projects were then reviewed again by the executive work group and organized into two sets of findings: a spreadsheet that highlights five categories of projects proposed for capital funding in the 5-Year Planning horizon and the remaining 26 technology projects, ranked by priority.

Plan of work for City's Information Technology Assets

- Complete baseline city inventory that allows DoIT oversight to assure standardization.
- Integrate IT planning and oversight into Facility Steering Committee Charter (scope, composition, processes)
- Enforce guidelines for ongoing IT hardware replacement
- Keep agency information technology needs up to date by performing semi-annual updates
- Give priority to technology projects that:
 - Address digital literacy in the community
 - Promote process and data transparency
 - Align with the City's open data initiative
 - Support mobile-first deployments
 - Reduce system duplication

V. Infrastructure Assets

Capital Strategies for municipal infrastructure are formulated through various existing planning processes, independent of the city of Detroit capital planning process. These requests are shown without change. Existing planning processes include:

- Public transportation: The Department of Transportation (DDOT), which manages a bus system, submits annual plans prepared under Federal Transportation Administration rules and guidelines
- Water supply and sewage disposal: The Detroit Water and Sewerage Department (DWSD-R), which is completing bifurcation with the regional Great Lakes Water Authority (GLWA), prepares a Capital Improvement Program for the water supply and for the sewage disposal system, and the Board of Water Commissioners approves.
- Streets, bridges, sidewalks and traffic lights: The Department of Public Works (DPW) Street Maintenance Program is prepared annually under State of Michigan Act 51 guidelines.
- Airport landing strips and hangars: The City Airport reinvests in its facilities and prepares proposed improvements in accordance with Federal Aviation Administration rules and guidelines
- Parking structures and meters: The Municipal Parking Department (MPD) prepares plans to support the enterprises it operates, or has agreements with third parties to operate
- Street lights: Public Lighting Authority (PLA) has largely completed the modernization of the city's street lights it assumed from the Public Lighting Department (PLD). The PLA now shifts to reinvestment in the new infrastructure while PLD actively decommissions obsolete facilities.

Proposed Capital Plans

1. **DDOT** will replace and overhaul 40 and 60 ft buses and non-revenue vehicles, improve information technology, operations equipment and current facilities and prepare to reopen the Coolidge Facility and close the Gilbert Facility.
2. **DWSD** will improve the retail water supply system in Detroit, with normal replacement of mains, meters, hydrants and distribution lines, and design of a system construction program and with plant, vehicle and computer systems investments in the water supply and sewage disposal systems.
3. **DWSD** will rehabilitate existing sewers in Detroit and the Bluehill Pumping Station.
4. **DWSD** is initiating a Green Infrastructure Program to aid in water runoff to the sewage disposal system.
5. **DPW** will maintain and replace the streets, curbs, traffic signals and signs, bridges, streetscapes and bike paths.
6. **Airport** improvements include repair and replacement of the fire systems, façade, terminal building, lighting and runways. A business case remains to be made regarding modernization of hangars will produce a sufficient return to justify it.
7. **Municipal Parking** will repair the Millenium, Ford Underground, and Eastern Market Parking garages.
8. **PLA** has largely completed the modernization of the city's street lights and is shifting to a State of Good Repair of lamps and lines.
9. **PLD** requires investment to permanently decommission lines and lamps and the defunct Mistersky Power Plant.

Profile of Assets for City Infrastructure: *See departmental narrative section.*

Asset Assessment methodologies

Capital planning in DDOT, DWSD and City Airport is regulated by the rules and guidelines established by other governmental jurisdictions. In order to meet the parameters associated with the State of Michigan Act 51 revenue stream, planning for city Rights-of-Way is also regulated by external rules and guidelines. The Public Lighting Authority has its own Board of Directors.

Plan of action going forward

- Improve coordination of infrastructure planning and execution with other city agency providers through integration into an overall city asset planning process
- Further understanding of operational impacts

VI. Parks

The City of Detroit Park and Recreation Improvement Plan was prepared in 2014 and numerous of its recommended projects have been implemented post-bankruptcy.

Proposed Capital Improvement Priorities

1. The Capital Improvements Priorities spreadsheet of the Parks and Recreation Improvement Plan includes the list of priorities in order and by phases that incorporates all neighborhood stabilization strategies and programs. Phase I of the 10 phases, which stabilizes neighborhoods through 40 neighborhood park renovations, is already funded and underway, with anticipated completion by fall of 2017.
2. The 2016 Parks and Recreation Plan's capital improvement plan seeks to strengthen areas where there is strong population density.

Profile of Assets: Parks and Recreation Centers

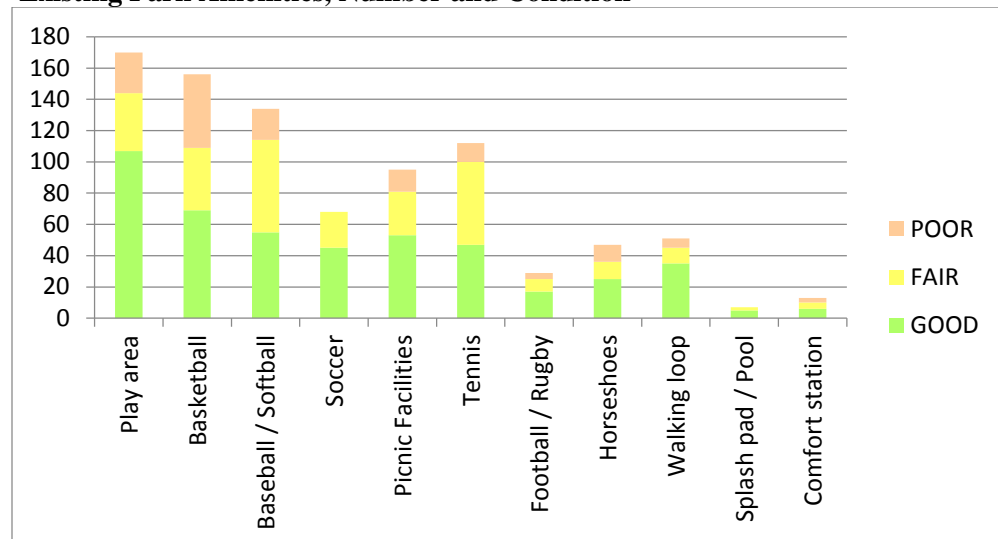
The City owns 308 parks, 14 of which are leased by other entities and 294 are maintained by the city. These 308 parks are in all states of condition: from fully and recently improved to obsolete condition. Of the 308 parks, 62 have been fully improved since 2006 and need only ongoing basic repair and maintenance. 53 parks have been partially improved in the last ten years and still need major improvements. The vast majority, 125, have not had improvements in ten or more years. The city owns 12 parks which are leased to and improved by other entities. The remaining 56 parks were categorized as Community Open Spaces, or parks in low density areas to serve as natural areas or consist of community sponsored improvements, which receive lower maintenance. The table and graph below outline the existing major amenities in parks by condition as well as proposed new or replacement amenities.

RECREATION FACILITIES SCHEDULE

Amenity	Number in Good Condition	Number in Fair Condition	Number in Poor Condition	Total Number Existing	Number Proposed New/Replace
Play area	107	37	26	170	93
Basketball	69	40	47	156	50
Baseball / Softball	55	59	20	134	9
Soccer	45	23	--	68	36*
Picnic Facilities	53	28	14	95	40
Tennis	47	53	12	112	10
Football / Rugby	17	8	4	29	*
Horseshoes	25	11	11	47	10
Walking loop	35	10	6	51	101
Splash pad / Pool	5	2	--	7	12
Comfort station	6	4	3	13	10

*Counts multi-use combination fields, including soccer, football and/or rugby fields

Figure 7
Existing Park Amenities, Number and Condition



Within the City Parks, the city also owns and maintains 11 recreation centers and partners with private organizations to maintain 8 more centers. In addition, the city owns 7 closed recreation centers. These 26 structures are in all states of occupancy: from fully utilized to unoccupied and mothballed. Many are underutilized due to staffing shortages.

EXISTING PARK SCHEDULE

Name	Address	Buildin g (SF)	Year Built	Existing Condition	Budget: nec. repairs	Status
Adam-Butzel	10500 Lyndon	77,730	1981	Fair	\$3,250,000	OPEN
Clemente	2631 Bagley	17,472	1978	Good	\$656,250	OPEN
Coleman A. Young	2751 Robert Bradby Dr	38,920	1980	Good	\$2,600,000	OPEN
Crowell	16630 Lahser	15,941	1975	Good	\$500,000	OPEN
Heilmann	19601 Crusade St	33,617	2006	Good	\$1,031,250	OPEN
Lasky	13200 Fenelon	17,680	1938	Good	\$750,000	OPEN
Patton	2301 Woodmere St	35,000	1975	Good	\$1,000,000	OPEN
Williams	8431 Rose Parks	48,548	1982	Fair	\$3,500,000	OPEN
Butzel Family	7737 Kercheval	40,594	1975	Fair	\$3,000,000	OPEN
Farwell	2711 E. Outer Drive	24,000	2003	Good	\$1,500,000	OPEN
Kemeny	2260 S. Fort	2,260	1958	Poor	\$10,000,000	UNDER RENOV.
Balduck Park Bldg	5271 Canyon	2,552		Fair	--	OPEN/NO AMENITY
Evans	13950 Joseph Campau	15,000	1980	Fair	--	OPEN, PARTNERED
Lipke	19320 Van Dyke Ave	33,506	1954	Good	--	OPEN, PARTNERED
Tindal	10301 W. Seven Mile	14,200	1971	Fair	--	OPEN, PARTNERED
Clark Park Building	1130 Clark		1890	Fair	--	OPEN, PARTNERED
Considine(Leased)	8904 Woodward	45,000	1933	Poor	--	OPEN, PARTNERED
Delray	420 S Leigh St				--	OPEN, PARTNERED
Northwest Activ Ctr	18100 Meyers	150,000		Good	--	OPEN, PARTNERED
Bradby	9721 Cardoni	2,384	1955	Poor		CLOSED, VACANT
Johnson	8640 Chippewa	20,585	1954	Poor	--	CLOSED, VACANT
Kronk	5555 McGraw	28,107	1929	Poor	--	CLOSED, VACANT
Lenox	100 Lenox	5,650	1970	Poor	--	CLOSED, VACANT
Maheras	12550 Avondale	12,780	1966	Poor	--	CLOSED, VACANT
O'Shea	15810 Capitol	11,266	1958	Poor	--	CLOSED, VACANT
St. Hedwig	5661 Konkel	5,868	1954	Poor	--	CLOSED, VACANT

GSD is responsible for keeping City parks and recreation centers in a state of good repair as well as for major park renovation projects. It is largely the General Fund that supports maintenance. GSD cuts grass and removes litter with 150 seasonal employees and 52 fulltime staff; a crew of Building Attendants cleans comfort stations. A Park Development Unit repairs park amenities, with 8 fulltime staff and 3 seasonal workers. GSD maintains the recreation centers with the 35 skilled tradespersons and general contractors who maintain all city buildings.

Capital Improvement Methodologies for Parks and Recreation Centers

The 2016 PRIP provides a consistent decision-making framework to guide investment. This list excludes any parks that have received full renovations or improvements since 2006 (unless multiple phases of improvements are necessary), as well as parks classified as Community Open Spaces. The PRIP is a list of needs to adequately improve and maintain all parks in the system. It also proposes 3 new parks with land already acquired, 3 proposed parks in need of land acquisitions, and 7 parks that will be moved to bigger and more advantageous locations.

Due to the number of parks in the roster, a quantitative metric was needed to compare across parks. The updated ranking system uses the following to create a composite metric best understood as a starting point, rather than an overall “score” when compared to other parks:

- Population Density- 100
- Senior Population- 80
- Youth Population- 80
- Public Input- 50
- Staff Expertise- 40
- Building Permit Density- 30
- Population Change 2000-2010- 30
- Greenway Proximity- 20

Data was supplemented with qualitative input from residents and administrative experts. Park evaluation scores (between 6 and 20) provide a tool for thinking about city parks as a whole, and shape the improvements planned, on the basis of who lives around the park and the local context. Neighborhood character, facility condition, facility capacity, and opportunities to expand or strengthen a park are balanced. This tool is not intended to replace ongoing community engagement or be the single determinant for a park’s future: parks along the Detroit River are seen as a citywide asset, and other parks may have recently been improved or are close to another park receiving improvements.

Developing capital improvements priorities for recreation centers is straightforward. All recreation centers should be updated according to equipment and amenity needs, per dates of last improvements rather than neighborhood improvement strategies. Each recreation center was visited (*see PRIP Appendix C and PRIP Appendix A for other park metrics*). Phases stage parks of varying sizes, focusing heavily on neighborhood park strategies and rotating among City Council Districts. Palmer, Chandler, Fort Wayne, and Rouge Park require continual improvements.

Increased investment in parks increases the maintenance requirements, and impacts GSD grounds and building services operations. To date, crews were added to GSD’s base operating budget as capital funds have been received.

VII. Durable Equipment

A Durable Equipment Working Group devised a plan for equipment acquisition and replacement. The Controller’s Office has just completed a complete physical audit of all recorded assets and is planning for an asset management system.

Proposals Recommended for Durable Equipment.

1. Acquisition of barcoding readers for agencies to use to facilitate complete and automated annual counts, so that the enterprise financial system remains up to date.
 - Reissue city directive to extend equipment tracking requirements to those assets of \$1000 value or more
 - Digitize records in accordance with an IT-led Record Retention policy
 - Controller manages the devices and schedules agency use of them each June
2. Establishment of a citywide Utilization Review Board to cause a cost-benefit analysis of all new durable equipment purchases, so that 3rd party alternatives to ownership (such as leasing or outsourcing), or pooling and sharing alternatives, will be considered.
 - The Board would be comprised of finance, IT and Mayor's Office representatives
 - Agencies would collect and project operational usage data
3. Allocate funds to a central account to which agencies can appeal for equipment acquisitions.

Profile of Assets: City Durable Equipment.

City departments use equipment ranging from portable weed trimmers and hydraulic jacks, to industrial circular saws. Some is low tech, such as bleachers, a battering ram, or a container for suspicious package detonation. Some equipment, such as security monitoring devices or voting equipment, has electronic components and is handled with the IT assets.

As a general rule of thumb, the City records and tracks all assets – including real, personal and intangible property, having a useful life of greater than one year and whose value is equal to or greater than the thresholds as defined in the table. Operational use of City assets has been tracked only sporadically by agencies, and this has resulted in unreliable information in the City's Fixed Assets System. In addition, agencies have not consistently performed annual inventories which further exacerbated the reliability and accuracy of asset records. In order to properly account for the City's assets, the Controller's Office engaged a third-party inventory services provider (Asset Works) to perform a citywide inventory and their results were used to update the City's records as show in the table below:

Capitalization Thresholds	
Asset Category	Threshold
Land, land improvements, land rights and easements	Record All
Buildings and building improvements, capital leases and leasehold improvements	\$5,000
Structures and structure improvements	\$5,000
Infrastructure	\$50,000
Personal property including machinery and equipment, buses and vehicles other than buses	\$5,000
Intangible Assets including software development and licenses	\$5,000
Library materials and rare materials, including works of art and historical treasures	Record All
Controlled assets, which are assets with a useful life of more than one year but cost is \$1,000 - \$4,999	Tag and track all. Do not capitalize or depreciate.
Computer workstations and laptops costing <\$1,000	Tag and track all. Do not capitalize or depreciate.

ASSETS AS LISTED IN CAFR FY2015

CITY-WIDE Capital Assets, Net	1'511'233'024	152'815'001	(800'052'348)	1'881'130	(1'881'130)	0'411'150'323
	238'234'035	3'821'234	(8'134'050)	-	-	233'021'000
Colleges Corp	402'085	-	-	-	-	402'085
Dev Employment	310'085	-	-	-	-	310'085
Dev Job Bank	1'581'384	53'510'0	(4'000'000)	-	-	(3'028'410)
MAAH	55'181'223	-	-	-	-	55'181'223
Recov Authority	-	-	-	-	-	-
Greater Detroit Resources	-	-	-	-	-	-
Economic Dev Corp	-	-	-	-	-	-
Eastern Market	8'030'121	-	-	-	-	8'030'121
Dev Downtown Dev	145'833'354	-	-	-	-	145'833'354
Commission	321'351'408	5'152'081	(3'021'185)	-	-	321'351'408
Dev Housing	-	-	-	-	-	-
Dev Transportation Corp	41'251'883	-	-	-	-	41'251'883
Dev Public Library	44'488'55	\$ 1'411'283	(11'800)	-	-	54'525'301
Capital Assets, Net						
Component Units						
	0'013'402'085	151'000'413	(821'520'151)	1'881'130	(1'881'130)	2'884'014'124
Public Lighting	145'023'541	11'017	(885'051'588)	-	-	(185'002'228)
Water	51'302'030	1'000	(3'400'000)	-	-	48'303'030
Municipal Parking	0'138'021	53'080'55	(4'411'141)	-	-	0'138'021
DDOT	150'061'11	585'001'4	(111'525'325)	-	-	135'086'886
DW20	575'548'878	14'081'141	(820'018'020)	-	-	110'041'141
Capital Assets, Net						
Business Units						
Capital Assets, Net	0'122'151'024	0'044'000'00	(4'501'082'020)	1'881'130	(1'881'130)	1'135'542'000
Total Govt Activities						
2012 CAFR Page 03-14						

The table shows an estimate of the City's asset balances at 6/30/16 after taking into account proposed adjustments from Asset Works based on information gathered during the Year-End physical inventory. A combination of General Fund, other grant and enterprise funds support maintenance and improvement of the capital assets.

Asset Assessment Methodologies for Durable Equipment

The Controller's Office hired Assetworks, Inc, in 2016, to perform a complete physical inventory of every asset recorded in the city system. The inventory included eliminating assets that have been disposed of, and recording an updated book value for each asset. Condition Assessments, which describe the gap between existing structural and operational conditions of each asset, and the condition allowing each to reach useful lifespan ("State of Good Repair"), have not been systemically performed nor recorded for existing equipment. For program expansion post-bankruptcy, equipment acquisitions have been vetted using the CFO's business case process. Agencies are now beginning to consider whether existing assets add value to their operations and whether they are optimally utilized and should be replaced, or should be retired. With little information assessing existing conditions of durable equipment, needs could not be assessed. These assessments rely on an understanding of operations. Assets can reduce manpower requirements, or change them.

Plan of work for Durable Equipment Management

- Improve agency-level tracking of equipment requirements through annual automated physical inventories and utilization review
- Oversee inactivation and decommissioning of durable equipment that is not an optimal cost, and better stewardship of equipment that makes economic sense to own
- Lay out permanent Utilization Review Board Charter (scope, composition, processes) and assure interagency support for Controller's policy directives
- Provide guidelines for future budgets and resource planning

VIII. Alternative Enterprise Assets

A Working Group considered capital subsidies for the assets used in the city's alternative enterprises, or businesses for which private providers exist. The agencies operating these enterprises – Municipal Parking, Airport and Recreation – submitted requests for capital funding.

Proposals Recommended for Alternative Enterprises

This Workgroup calls for adoption of a cost-benefit template to analyze the ROI (return on investment) of capital requests for investment in alternative enterprises. A consultant should be engaged to set the initial baseline methodology and information collection processes. The consultant report should include:

- A strategy for cost recovery for recreation programs that meets industry standard benchmarks of 35% of costs
- A strategy for cost recovery for Airport hangar modernization that reflects market potential
- A user-friendly template that can be utilized throughout the city
- rules of thumb to identify metrics relevant to planning resources
- metrics and other data necessary to calculating the cost-benefit ratios for each alternative enterprise
- proposed courses of action for achieving industry cost recovery

Profile of Assets: Facilities of Alternative Enterprises

The City operates a number of enterprises for which customers pay fees for service. These enterprises use assets such as airport hangars and terminals, Hart Plaza, historic Fort Wayne campus, ice rink, mobile stages and bleachers, and boat launches. These services compete in a marketplace in which alternative providers, with their own assets, operate.

Agency Service	Occupancy / Capacity
Airport landings	underused
Small T hangars	underused
Medium T hangars	underused
Large T hangars	underused
Airport fuel pumps	underused
Airport Flight School Building	vacant
Recreation centers (13)	varies
Fort Wayne campus	underused
Hart Plaza	underused
Chene Park amphitheatre	underused
Marinas (2)	underused
Golf courses, ranges (4)	utilized
Indoor tennis	utilized
Special event spaces	utilized
Pools (6)	utilized
Ice rink	utilized
Mobile stages, bleachers	underused
Parking structures	utilized
Parking meters	Utilized

These structures are in different states and levels of occupancy: from fully utilized to vacant, and some with 3rd party operators, programmers, or nonprofit support. Many structures are not optimally used, in part awaiting the completion of operational restructuring reassessment.

A combination of General Fund, grant and enterprise funds support maintenance and improvement of the assets. Financial capacity of the 3rd parties involved has only been sporadically assessed. Airport uses a fixed-based operator for maintenance, and a staff of four persons. Recreation does not have a program of cost recovery or asset tracking.

Asset Assessment Methodologies for Facilities of Alternative Enterprises

Recreation and Airport formulated capital requests using staff surveys. Airport did a market study for its hangar rentals, and Recreation documented the physical condition of Hart Plaza and researched hall rentals comparable to its Fort Wayne Visitor Center. Under the Emergency Manager, the parking structure business was analyzed.

Without comprehensive condition assessments of assets, gaps between existing structural and operating conditions, and what condition will allow the useful life to be reached (“State of Good Repair”), are not known. Nor can replacement or contraction options be effectively explored. Staff are collecting counts of current asset usage and identifying a basis for projecting future usage and price points, after capital improvements. Revenues from projected usage can then be compared to expenditures to identify the Return on Investment, or financial breakeven point of the investment. The cursory cost-benefit studies that were undertaken either did not demonstrate ROI with the information available, were not based on complete utilization data, or could not project financial impacts. Operational Impacts will be assessed and integrated into investment decisions.

Plan of work for City’s Alternative Enterprise Assets: Utilize cost-benefit study findings to prioritize capital improvement investments in subsequent capital plans

VI. Agencies with Capital Assets

Agencies with City of Detroit Capital Assets

Agency	Capital Program	Owns City Assets	Fund
Airport	X	X	Enterprise
DDOT	X	X	Enterprise
DFD	X	X	General
Health and Wellness	X	X	General
DPD	X	X	General
DPW	X	X	Partial
DTC (People Mover)	X	X	General
DWSD	X	X	Enterprise
GSD	X	X	General
DoIT	X	X	General
Municipal Parking	X		Partial
Recreation	X	X	General
PDD	X	X	General
PLD	X	X	General
36th District Court	X		General
Administrative Hearings			General
Auditor General			General
BSEED	X		Partial
BZA			General
City Clerk			General
City Council			General
Election Commission	X	X	General
Human Resources			General
Human Rights			General
Inspector General			General
Law			General
Library System	X		Enterprise
Ombudsman			General
SPECIAL PURPOSE AUTHORITIES			
Public Lighting Authority		X	General
Detroit Building Authority	X	X	General
Detroit Economic Growth Corporation		X	General
Detroit Housing Commission		X	General
Detroit Land Bank Authority	X	X	General
Detroit Wayne Joint Building Authority	X	X	General
Detroit Wayne County Port Authority	X	X	General
AGENCIES WITH OPERATING AGREEMENTS			
Charles Wright Museum	X	X	General
Detroit Historical Museums	X	X	General
Detroit Zoological Institute	X	X	General

Airport

The Airport Department by City Ordinance- Section 4-1-2, acquires and holds aviation facilities, develops and operates them, represents the city in all aviation matters affecting the city, and manages properties and equipment devoted to aviation. The mission is to accelerate the growth of Detroit as a commercial and industrial transportation center and maximize the Coleman A. Young Airport's economic benefit to our community and region.

Description of Assets

- **Coleman A. Young International Airport**, which encompasses over 300 acres of land, generally bound by Gratiot and Grinnell on the south, Conner on the east, French Road on the west and Mt. Olivet on the north.
- Properties off-airport: a 30-acre parcel to the west, 10-acre parcel to the east and 11-acre parcel to the south.
- **Terminals** – Approximately 67,000 sq. ft. Rental car operations are located in the main passenger terminal.
- **Hangars** - 182,000 square feet in fourteen hangar bays, in which related shop and office space are contained; an 11,500 sq. ft. stand-alone hangar, 131 total nested T-Hangars (94 small at 846 sq. ft.; 27 medium at 944 sq. ft. and 10 large at 1,649 sq. ft.). Tenants occupy most hangars and bays.
- **Runways and Taxiways** - The primary runway Southeast/Northwest (15-33) is 5,090 feet long by 100-feet wide with 5,501 feet available for takeoff with FAA and City of Detroit approval. Northeast/southwest (7-25) is 4,026 feet in length by 100 feet wide. Runways are equipped with parallel taxiway system and turnoffs to facilitate efficient operations.
- **Apron and Ramp Area** - Approximately 69,000 sq. yd. of ramp area for aircraft parking and servicing
- **Developable Land** - Approximately 15 acres on site and 25 acres adjacent.
- **Fuel Storage Area and Fuel Farms** – approximately 5,700 square feet of land on which is located three above ground fuel tanks - two of 30,000-gallon capacity containing Jet A fuel, and one of 12,000-gallon capacity containing AV gas - having the cumulative capacity to hold 72,000 gallons of fuel and related fixtures and equipment used for storing aviation fuels, lubricants and other related aviation products.
- Three (3) other privately operated fuel facilities at the airport. Two (2) are self-fueling operations and the other is a retail self-serve fuel service.

Detroit Department of Transportation

The Detroit Department of Transportation (DDOT) provides greater Detroit with quality public transit service in a cost effective, safe and user friendly manner that maintains and attracts residents, businesses and visitors to the city, thereby benefiting the city's economic vitality. As the largest public transit agency in Michigan, DDOT primarily serves the city of Detroit, with

additional, limited service to nearby cities of Dearborn, Hamtramck, Highland Park, Harper Woods, Livonia, Redford Township, River Rouge and Southfield.

Description of Assets

- Headquarters including the Central shop, at 1301 E. Warren Avenue
- Three satellite terminals with garages for light repairs and bus storage bays:
 - Coolidge Terminal located at 14044 Schaefer, including Emergency Dispatch Center
 - Gilbert Terminal located at 5600 Wabash Shoemaker Terminal at 11200 Shoemaker which also includes the bus rehabilitation facility
- Facilities for bus passenger traffic and layover:
 - Rosa Parks Transit Center
 - State Fairgrounds
 - Northland, Eastland and Fairland Shopping Centers
- Buses, service vehicles and light-duty fleet
- 200+ Bus shelters on routes throughout the city

Detroit Fire Department

The Detroit Fire Department protects life and property through a constant state of readiness to meet calls for help. DFD operates Emergency Medical Services, including Firefighters trained as medical first responders. The Department has drafted a strategic plan for a sustainable approach to maintaining a high-performance organization. The Department adheres to industry best practice and national codes to develop, implement and continually train to provide the most effective and efficient services in fire prevention, emergency medical services, fire suppression, hazardous materials response, and public instruction while providing mutual aid to surrounding communities.

Description of Assets

- 47 fire companies operating out of 34 fire stations located throughout the city
- Headquarters at the Detroit Public Safety Headquarters, at 1301 Third Street
- Storerooms in the Erskine complex
- Fleet including: 27 Engines, 13 Trucks, 6 Squads, 24 Ambulances, Hazmat, 2 Airport Crash, Fire Boat
- Lifesaving assets such as ladders, hoses and extrication devices

Department of Health and Wellness

The Detroit Health and Wellness Department has three core functions defined by the Institute of Medicine: assess the health of the community; lead and promote evidenced-based policies in the public's best interest; and assure the availability of community and personal health services important to Detroit residents. The mission is to improve the health and quality of life of Detroiters through innovative public health policy, programs, and partnerships.

The Department's agency goals are:

- Reduce and eliminate health disparities impacting Detroit residents
- Assure the provision of quality public health services
- Facilitate access to primary care and preventative health services
- Advance policies and practices that promote, protect, and improve the health of Detroit residents
- Establish and maintain administrative and operational infrastructures consistent with excellence in public health practice
- Establish and maintain best practices in animal control and sheltering

Description of Assets

- Administration located at 3245 E. Jefferson Avenue., Suite 100
- Satellite Locations:
 - 8726 Woodward Ave.
 - 5555 Conner Ave.
 - 55 West 7 Mile Rd.
- Detroit Animal Care and Control located at 7401 Chrysler Drive

Detroit Police Department

The Detroit Police Department is a model of sustained policing excellence that places our neighborhoods and people first. The DPD preserves the public peace, prevents crime, arrests offenders, protects the rights of persons and property, guards the public health, preserves order, and enforces the laws of the State of Michigan and the United States and the ordinances of the City of Detroit.

Description of Assets

- 31 facilities throughout the city (9 leased; 4 at no-cost):
 - Public Safety Headquarters – 1301 Third Street (48226)
 - Downtown Services – 20 Atwater (48226)
 - 2nd Precinct – 13530 Lesure (48227)
 - 3rd Precinct – 2875 West Grand Boulevard (48202)
 - 4th Precinct – 4700 West Fort Street (48209)
 - 5th Precinct – 3500 Conner (48215)
 - 6th Precinct – 11450 Warwick (48228)
 - 7th Precinct – 5100 E. Nevada (48234)
 - 8th Precinct – 11450 Warwick (48228)
 - 9th Precinct – 11187 Gratiot (48213)
 - 10th Precinct – 12000 Livernois (48206)
 - 11th Precinct – 5100 Nevada (48234)

- 12th Precinct – 1441 West 7 Mile (48203)
- Training Center – 6050 Linwood
- Rouge Park Range – 8841 Spinoza
- Harbormaster – Belle Isle
- Mounted – 910 Merrill Plaisance/Palmer Park
- Emergency Commission: 13133 Lyndon
- Significant fleet, technology and durable equipment assets.

Department of Public Works

The Department of Public Works (DPW) excels in the delivery of essential environmental and infrastructure services, thereby ensuring a safe and clean environment for customers in a cost-effective manner. The Solid Waste Division manages two contractors who provide refuse collection, bulk and recycling services, and provides commercial refuse collection services and clean-up of illegal dump sites. Street Maintenance Division manages city right of ways, including road construction, traffic and signage, and oversees the city's Street Fund funded by Gas & Weight Tax revenues along with a well-defined State and Federal Transportation Program. The Traffic Sign Shop fabricates, repairs, and maintains traffic control and street name signs in the City; Traffic Engineering operates and maintains traffic control systems; and City Engineering designs, surveys, engineers and inspects roads and bridges.

Description of Assets

- Russell Ferry Yard – 5800 Russell
- Street Maintenance Campus – 2633 Michigan
- Street Maintenance Administration – 2633 Michigan
- Southfield Yard and Lab – 12255 Southfield
- Traffic Sign Shop – 2425 Fenkell

TYPE OF ASSET	TOTAL	UNIT	UNITS OF SERVICE	CONDITION		
				GOOD	FAIR	POOR
Major Streets	674	Miles	\$1 million / mile	82	342	250
Residential Streets	1,880	Miles	\$400,000 / mile	236	899	745
Bridges	29	Each	NA	10	11	8
ADA Ramps	87,182	Each	NA	29,302	0	57,880
Sidewalks	4,200	Miles	\$6.70 / 4 inches \$7.45 / 6 inches	1,785	0	2,415
Traffic signals	797	Each	NA	NA	NA	NA

Detroit Transportation Corporation

The DTC was created pursuant to Public Act 7 of 1967 and is a component unit of the City of Detroit and accounts its activity as per proprietary funds. The mission is to provide safe, reliable, efficient and accessible rail transportation services that will serve to enhance business development and retention to support economic drivers to the city and the region, and to sustain better quality of life functions in Detroit by augmenting pedestrian travel and by supporting other modes of public and private transportation.

Description of Assets

- Maintenance and Control Facility
- 13 passenger stations
 - Times Square
 - Grand Circus
 - Broadway
 - Cadillac Center
 - Greektown
 - Bricktown
 - Renaissance Center
 - Millender Center
 - Financial District
 - Joe Louis Arena
 - Cobo Center
 - Fort/Cass
 - Michigan Ave.
- Administrative offices located at 1420 Washington Blvd.

Detroit Water and Sewerage Department - Retail

The Detroit Water and Sewerage Department (DWSD) strives to exceed our customers' expectations through the efficient distribution of treated water, collection of wastewater/drainage, and management of storm water runoff with green infrastructure, herein referred to as the "local system". DWSD's goal is to deliver safe, efficient and cost effective water and sewerage services obtained from the Great Lakes Water Authority (GLWA). GLWA is responsible for the operation of the water and wastewater treatment facilities, herein referred to as the "regional systems", which it leases from the DWSD. The department is responsible for maintaining and upgrading the Detroit Local System and serves as the first responder for all necessary repairs of water and sewer infrastructure, occurring within the City's borders. Further, DWSD serves as the retail advocate for Detroit based constituents, including households, businesses, churches, etc., in the procuring of water and sewerage services from GLWA while also serving as the collection agent for all

revenues generated by the Detroit Retail class. DWSD promotes and preserves the public health by meeting or exceeding all state, federal and department standards.

Description of Assets

- Main administrative offices located at 735 Randolph

WATER

- 5 water treatment plants located in Detroit, Allen Park, Dearborn, and Port Huron
- 20 booster stations
- 19 reservoirs
- 700 miles of transmission mains

SEWERAGE

- 1 wastewater treatment plant
- 4 pump stations: Belle Isle, Bluehill, Fischer, & Woodmere & one combined sewer overflow facility (Belle Isle)
- 6 combined sewer overflow (CSO)
- 3 CSO screening & disinfection
- 3,000 combined sewer infrastructure
- 180 miles of regional sewer infrastructure
- Various numbers of CSO regulators, outfalls, in-system storage devices, etc.

General Services Department

The General Services Department provides the city of Detroit's shared fleet, facilities and grounds services. This includes:

- Design and maintenance of parks, maintenance of right-of-way berms, bus shelters, vacant lots and the urban forest, and removal of graffiti throughout the city
- Planning, procuring, maintaining, assigning and disposal of General City vehicles
- Space planning, building maintenance, custodial, and security
- Stores for selected city operations

GSD does long-term planning and operational oversight, architectural, engineering, planning and project management, and it staffs citywide oversight committees, the Vehicle Steering Committee and the Facilities Management Committee. GSD executes Service Level Agreements with customer departments to identify service level expectations and manage costs.

Description of Assets

- Occupied buildings, structures, adjacent grounds
- Component building systems
- Major durable equipment (over \$5,000) – power washers, security cameras, machinery, garage hoists
- Portable equipment (under \$5,000)
- IT personal computers
- Vehicles and rolling stock
- Parks and component amenities
- Trees on public rights-of-way

Department of Innovation and Technology

The Department of Innovation and Technology (DoIT) is a central staff agency responsible for developing and providing information technology and consulting services to City agencies that will innovate how they deliver services and interact with citizens. The mission is to empower City agencies, partners and citizens to achieve their goals and innovate by delivering reliable, timely, cost-effective, appropriate technology and solutions.

DoIT's responsibilities include: strategic technology planning, business needs solutions, information management, special project management, application development and implementation, system/application maintenance and support, telecommunications, data center operations, technology acquisition, data security and other services to empower agencies to use technology to improve operations and the quality of services provided to their customers.

Description of Assets

- The Department operates out of several locations:
 - 1301 Third Street, inside of the Detroit Public Safety Headquarters
 - Administrative Officers on the 12th Floor and training and other operational staff and major server hubs are located in the Basement of the Coleman A. Young Municipal Center (CAYMC)\
- Citywide technology infrastructure, such as servers, networks, wireless and PCs

Municipal Parking Department

The mission of the Municipal Parking Department (MPD) is to provide economical on and off-street public parking services; to enforce the city of Detroit parking ordinances; and to coordinate parking with economic development projects throughout the city of Detroit. MPD objectives include:

- Optimize the effectiveness of the on-street parking enforcement program and deployment of parking enforcement resources for all violations (including restricted time zone

- violations);
- Improve the efficiency of the on-street and off-street parking programs;
- Support the City's law enforcement strategies for suspect vehicles; and
- Strengthen MPD's overall public parking system, including Parking structure performance.

MPD manages City parking ticket processing and fine collection program and supervises enforcement of parking regulations. All revenue from parking kiosks goes to an Enterprise Fund for the City of Detroit's Parking System. The Fund receives rent, service fees, and a percentage of concession and suite revenue from Joe Louis Arena.

Description of Assets

- Automobile Parking System (APS) and Parking Violations Bureau (PVB) located at 1600 West Lafayette and Caniff Lot
- 500 parking meter kiosks that includes 3 parking zones with 13 subzones that manage on-street parking
- 6 parking garages containing approximately 6,531 parking spaces:
 - Ford Underground – 30 East Jefferson Avenue (Parking Capacity: 723; 261,000 sq. ft.)
 - Grand Circus – 1600-01 Woodward Avenue (Parking Capacity: 821)
 - Joe Louis Arena – 900 West Jefferson Avenue (Parking Capacity: 3,200)
 - Millennium – 432 West Congress Street (Parking Capacity: 595; 202,000 sq. ft.)
 - Premier Underground – 1206-8 Woodward Avenue (Parking Capacity: 895)
 - Eastern Market – 2727 Riopelle Street (Parking Capacity: 300; 122,000 sq. ft.)

Planning and Development Department

The mission of the Planning and Development Department (PDD) is two-fold: 1) to provide professional and technical expertise in planning, design and development that helps to inform and seed sustainable environments and neighborhoods for Detroiters, and 2) to create an infrastructure that supports citizens, investors and other partners in advancing initiatives that create walkable urban places serving the largest and broadest needs of the community. PDD pursues design and development opportunities consistent with this mission, targeting economic development and neighborhood stabilization that increases property values and improves quality of life throughout the entire city.

PDD is working to achieve a convenient, safe, and pedestrian-oriented environment where the services people use on a regular basis are readily accessible. Detroit's Riverfront is an international asset, and PDD's plans will ensure that its development and preservation helps realize the River's economic, environmental and equity potentials. PDD actively pursues mobility options beyond the auto, such as Bus Rapid Transit and Light Rail in addition to safe, world-class bicycle networks.

Descriptions of Assets

- Main offices located in the CAYMC
- 9,467 parcels of commercial land as of August 2016. The August 10, 2016 assessed value of PDD's commercial holdings is \$114.4 million. Of this total, 6,727 commercial parcels, assessed at \$41.6 million, are available for sale through the Detroit Land Bank Authority (DLBA). The remaining 2,740 parcels, assessed at \$72.8 million, are pending resolution of undetermined ownership.
- 100,000 residential parcels were transferred from PDD to the DLBA
- Office equipment and an automobile, with an accumulated depreciation value in 2016 of \$56,111

Detroit Recreation Department

The Detroit Recreation Department (DRD) delivers the highest quality of service in the management of parks and leisure facilities so that the City of Detroit continues to be a place where children, families and seniors can grow and flourish. Its mission is to connect communities with parks, organized and informal leisure activities, and facilities to positively impact their health and wellness. DRD's strategic priorities focus on ensuring that affordable, quality recreational opportunities are readily accessible to all residents in every area of the City.

Programming activities range from traditional sports leagues and tournaments to swim programs, fitness activities, cultural arts, computer-related activities and socialization programs, as well as ice skating, fishing, hockey, boxing and more. An array of related human services, wellness programming and educational enrichment activities are made available through a multi-service recreation center approach. DRD will prioritize facilities that have revenue-generating potential and will be revising its fee schedule to ensure competitive pricing of services provided.

Descriptions of Assets

- 11 recreation centers
 - Adams Butzel Complex – 10500 Lyndon
 - Butzel Family Center – 7737 Kercheval
 - Clemente Recreation Center – 2631 Bagley
 - Considine Center – 8904 Woodward Ave.
 - Crowell Recreation Center – 16630 Lahser
 - Delray Community Center – 420 Leigh
 - Farwell Recreation Center – 2781 East Outer Drive
 - Heilmann Recreation Center – 19601 Crusade
 - Kemeny Recreation Center – 2260 South Fort
 - Lasky Recreation Center – 13200 Fenelon
 - Northwest Activities Center – 18100 Meyers
 - Patton Recreation Center – 2301 Woodmere
 - Williams Community Center – 8431 Rosa Parks

- Young Recreation Center – 2751 Robert Bradby Drive
- 308 parks, playfields and playgrounds
- 4 golf courses
- 2 marinas
- 2 boat launches
- 3 cemeteries
- Hart Plaza
- Historic Fort Wayne
- Chene Park

Detroit Public Library

The Detroit Public Library (DPL) is an independent municipal organization, administered through the Detroit Library Commission but a component unit of City Government. Funding for library operations is generated through a dedicated millage of 4.63 mills voted on by the citizens of Detroit. The Detroit Public Library, the city's information hub and a major educational and informational resource, enlightens and empowers its citizens to meet their lifelong learning needs through open and equitable access to information, technology, and cultural/educational programs.

Description of Assets

Library facilities range from 30 to 100 years old, averaging 55 years of age. Most need major overhauling of mechanical equipment, heating and cooling systems, and are not ADA compliant. The library system is also challenged to provide expanded technology access. Main Library located at 5201 Woodward Avenue

- 21 neighborhood branch libraries, including two leased facilities: the Elmwood Park Branch Library and Campbell Branch Librart
- The Library on Wheels (LOW), Services to Shut-ins and Retirees (SIR), and Library for the Blind and Physically Handicapped (LBPH), are operated from the Frederick Douglass Branch on Grand River.
- Facilities Service Buildings located at 5828 Third Street and 801 W. Baltimore Street.
- 1.6 million catalogued items includes books, magazines, professional journals, audio, video and DVD collections
- 4 million manuscripts include music scores, photographs, pictures and government documents
- 800 public access computers and website
- Bookmobile

THIS PAGE IS INTENTIONALLY LEFT BLANK

VII. Appendix

The following are samples for Capital Plan Business Case submissions.



CITY OF DETROIT

[Insert Department Name]
[Insert Capital Project Funding Request Name]
Capital Project Business Case

Prepared on:
[Insert Date]

Table of Contents

I. Cover Page	3
II. Executive Summary	4
III. Business Problem or Opportunity.....	X
IV. Alternatives Considered	X
V. Recommended Solution	X
VI. Document History	X
VII. Business Case Approvals	X
VIII. Exhibits	X

Exhibit A: Financial Summary

Exhibit B: Revenue Detail

Exhibit C: Cost Detail

Exhibit D: Labor Detail

Exhibit E: Value and Measurement

Exhibit F: Risk Analysis

Exhibit G: Implementation Plan and Timeline

Exhibit H: Baseline / Current State

Exhibit I: Initiative Magnitude / Initiative % of Baseline

Exhibit J: Other Supporting Documents



[Insert Department Name]
[Insert Capital Project Funding Request Name]

I. Capital Project Cover Page

Department: [Insert Department Name]

Division: [Insert Division Name]

Capital Project Name: [Insert Project Name]

Project Type / Category: [Insert Project Type / Category Type (e.g. Building, Fleet, etc.)]

Project Champion: [Insert Project Champion]

Project Included in the 5 year Capital Plan (Yes / No): [Insert Yes/No]

Funding Source: [Insert Funding Source (e.g. City Cash Flow – General Fund/Enterprise Fund, Quality of Life/Exit Financing, Federal, State, Private, Grant Funding, Other)]

Project Log #: [To Be Assigned by Finance Staff]



II. Executive Summary

This discussion should include the project description and should identify the following items, to the extent applicable:

- Public Service Value
- Business Value
- Summary of Financial Impact
- Request / Recommendation



III. Business Problem or Opportunity

This discussion should include the business vision, strategy and objectives associated with the initiative and should identify the following items, to the extent applicable:

- Business Issues
- New and/or Improved Processes
- Financial Drivers [[these should be consistent with Exhibit E - Value & Measurement]]
- Operational Drivers [these should be consistent with Exhibit E - Value & Measurement]
- Significant Assumptions
- Constraints
- Organizational Considerations



IV. Alternatives Considered

This discussion should identify all alternatives considered in identifying the solution to request.



V. Recommended Solution

This discussion should identify the specific request and describe the recommended solution.



VI. Document History

Requesting Agency

Name: [Insert Name of Business Case Submitter]

Title: [Insert Title of Business Case Submitter]

Version: [Insert Current Version #]

Creation Date: [Insert Creation Date “MM/DD/YY”]

Revision Date(s): [Insert Revision Date(s) “MM/DD/YY”]

Author: [Name, Title of Business Case Creator]

OFPA

Review Date: [Insert Review Date “MM/DD/YY”]

Reviewer: [Name]

Title: [Title]

Reviewer Comments:

Reviewer Recommended Amount:

Reviewer Recommended Funding Source(s):



[Insert Department Name]
[Insert Capital Project Funding Request Name]

VII. Business Case Approvals

Requestor: [Insert Business Case Requestor Name]

Title: [Insert Business Case Requestor Title]

Comments: [Insert comments, if any]

Signature: [Insert Signature]

Date: [Insert Date of Request]

Departmental Approval: [Insert Yes / No]

Name: [Insert Name of Department Approver]

Title: [Insert Title of Department Approver]

Comments: [Insert comments, if any]

Signature: [Insert Signature]

Date: [Insert Date of Approval]

OFPA Approval Date: [Insert Approval Date “MM/DD/YY”]

Name:

Title:

Comments:

Signature:

Recommended Amount:

Recommended Funding Source(s):

Capital Planning Steering Committee Decision: PENDING/REJECTED/APPROVED

Name:

Title:

Comments:

Signature:

Date:

Approved Amount:

Approved Funding Source(s):



VIII. Exhibits

- See Excel File
- [List any other attachments as Exhibits (e.g. Exhibit 1: [Name of Exhibit])]



City of Detroit
[Department / Agency]
Exhibit A - Capital Plan Request / Investment
Financial Summary
(000's of U.S. Dollars)

	FY2017					FY2018														10-Year
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																				
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue / Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headcount Change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on Investment																				
Payback Period																				
Return on Investment	[(Gain from Investment - Cost of Investment) / Cost of Investment]																			

Assumptions

City of Detroit
[Department / Agency]
Exhibit B - Capital Plan Request / Investment
Revenue Detail
(000's of U.S. Dollars)

	FY2017					FY2018					FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	10-Year Total
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total									
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Billings (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection Rate	0%	0%	0%	0%	NA	0%	0%	0%	0%	NA	0%	0%	0%	0%	0%	0%	0%	0%	NA
Increased Billings Revenue (Collections)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee Increases (Gross)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection Rate	0%	0%	0%	0%	NA	0%	0%	0%	0%	NA	0%	0%	0%	0%	0%	0%	0%	0%	NA
Fee Increase Revenue (Collections)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection of Past Due Receivables 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collection of Past Due Receivables 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Collection of Past Due Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Award 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Award 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (Collections)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Assumptions

City of Detroit
[Department / Agency]
Exhibit C - Capital Plan Request / Investment
Cost Detail
(000's of U.S. Dollars)

	FY2017					FY2018													10-Year Total
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Maintenance Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reorganization Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Technology Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Acquisition Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Replacement Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fleet Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reorganization Capital Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Capital Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Assumptions

City of Detroit
[Department / Agency]
Exhibit D - Capital Plan Request / Investment
Labor Detail
 (000's of U.S. Dollars)

Description	FY2017					FY2018					FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	10-Year
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total									Total
Position / Title																			
Headcount	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Annual Salary	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Fringe Rate	55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	
Total Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Position / Title																			
Headcount	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Annual Salary	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Fringe Rate	55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	
Total Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Position / Title																			
Headcount	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Annual Salary	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	
Fringe Rate	55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%		55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	
Total Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Labor Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Headcount	-	-	-	-		-	-	-	-		-	-	-	-	-	-	-	-	

Assumptions
Increase / Inflation / COLA

City of Detroit

[Department / Agency]

**Exhibit E - Capital Plan Request / Investment
Value & Measurement Criteria**

Category	Description	Start of Project	Quarter 1 *	Quarter 2 *	Quarter 3 *	Fully Implemented
Public Service	Customer satisfaction	X%	X%	X%	X%	X%
	On-time delivery	X%	X%	X%	X%	X%
	Response time - average	Min:Sec	Min:Sec	Min:Sec	Min:Sec	Min:Sec
	Response time - % within goal	X%	X%	X%	X%	X%
	Service delivery	X%	X%	X%	X%	X%
	Public service	Describe	Describe	Describe	Describe	Describe
	Public awareness	Describe	Describe	Describe	Describe	Describe
Financial	Revenue invoiced	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX
	Revenue collected	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX
	Collection rate	X%	X%	X%	X%	X%
	Loss prevention	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX
	Cost reduction	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX
Operational	Improved operational efficiency	X%	X%	X%	X%	X%
	Cases closed	X%	X%	X%	X%	X%
	Enhanced quality of service	X%	X%	X%	X%	X%
Employees	Improved employee productivity	X%	X%	X%	X%	X%
	Improved organizational culture	Describe	Describe	Describe	Describe	Describe
	Improved employee morale	Describe	Describe	Describe	Describe	Describe

Notes:

* Values and measurement criteria should be measured and reported continuously - at least quarterly, in most cases monthly, and in some cases weekly.

City of Detroit
[Department / Agency]
Exhibit F - Capital Plan Request / Investment
Risk Analysis

Risk	Probability	Financial Impact	Risk Mitigation
------	-------------	------------------	-----------------

City of Detroit
[Department / Agency]
Exhibit G - Capital Plan Request / Investment
Implementation Plan and Timeline

Item / Step	Activity Description	Responsibility Parties			% Complete	Status	Milestones	Requirements	Challenges / Constraints	Estimated Timing - Original		Estimated Timing - Revised
		Department	Other City	External						Start	Complete	

City of Detroit
[Department / Agency]
Exhibit G - Capital Plan Request / Inv
Implementation Plan and Timeline

Item / Step	Activity Description	ning - Revised	Comments	FY2016				FY2017				Fiscal Year							
		Complete		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2018	2019	2020	2021	2022	2023	2024	2025

City of Detroit
[Department / Agency]
Exhibit H - Baseline / Current State
Financial Summary
(000's of U.S. Dollars)

	FY2017					FY2018					FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	10-Year Total
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total									
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Costs																			
Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reorganization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue / Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Headcount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Assumptions

City of Detroit
[Department / Agency]
Exhibit I - Initiative Magnitude
Initiative % of Baseline

	FY2017					FY2018													10-Year
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Revenue	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Costs																			
Labor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Operating Costs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Technology	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fleet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capital Investment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reorganization	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Costs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Revenue / Costs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Headcount	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
-----------	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

Assumptions

City of Detroit
[Department / Agency]
Exhibit J - Capital Plan Request / Investment
RRI Funding Summary

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	10-Year Total
Funding Sources :											
Project Name [1]	-	-	-	-	-	-	-	-	-	-	-
Project Name [2]	-	-	-	-	-	-	-	-	-	-	-
Project Name [3]	-	-	-	-	-	-	-	-	-	-	-
Project Name [4]	-	-	-	-	-	-	-	-	-	-	-
Project Name [5]	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Funding Uses:											
Net Revenue / Costs	-	-	-	-	-	-	-	-	-	-	-
Funding Δ	-	-	-	-	-	-	-	-	-	-	-

Negative Funding Delta Comments:

Notes:

Enter funding sources as the opposite sign (+/-) of the funding uses which are linked to Tab A.
If funding delta is negative, please provide thoughts on alternative funding sources.